

These Minutes were taken by Ms. Nancy Monson and are intended to be summary in nature. They will not be official until approved by The Executive Council in accordance with the Bylaws. There will be a verbatim transcript available later, against which to compare and expand as necessary.

KOREAN WAR VETERANS ASSOCIATION, INC.

EXECUTIVE COUNCIL MEETING

**Quality Inn Suites
Arlington, Virginia
July 26, 2005**

Call to Order:

President Louis Dechert called the Executive Council meeting to order at 9:40 a.m.

Presentation of Colors and Pledge of Allegiance:

The Colors were presented and the Pledge of Allegiance was rendered.

Invocation:

In the absence of Robert Personette, Chaplain, the prayer was offered by Byron Dickerson, the Second Vice President.

Administrative Announcements:

Chris Yanacos was introduced as acting Sergeant-at-Arms in the absence of John Sonley, who was unable to attend.

Adoption of Agenda:

Motion: Director Lee Dauster moved adoption of the published agenda. Director Stanley Grogan seconded the motion. **Approved.**

Roll Call and Introduction of Guests:

The roll was called by Secretary Don Duquette.

The following were present:

Louis Dechert, President
Dick Adams, 1st Vice President
Byron Dickerson, 2nd Vice President
Don Duquette, Secretary

Richard Hare, Treasurer
Lee Dauster, Director
James E. Ferris, Director
Stanley J. Grogan, Director
James F. Jones, Jr., Director
William F. Mac Swain, Director
Dean McClain, Director
Bob Morga, Director
Joseph Pirrello, Director
Warren Wiedhahn, Director

The following Directors were not present and were excused:

Dorothy "Dot" Wenzel, Director
Larry McKinniss, Director

The following advisors and/or chairmen were also present:

Director-elect Jeff Brodeur, Chairman, Recruiting Task Force
Bill Burns, KWVA Liaison to KVA, Canada
Tom Clawson, Return Visit Chairman
Frank E. Cohee, Jr., Interim Assistant Secretary
Jimmy Faircloth, Legal Counsel
Jake Feaster, Assistant Judge Advocate/Aide to President
Sim Goodall, Ethics & Grievance Committee Chairman
Boyle Henderson, CPA
Charley Price, Judge Advocate (Acting)/Director VSO/VAVS
Arthur G. Sharp, Editor of *Graybeards*

President Dechert announced the results of the 2005 election and introduced the following recently-elected Directors who will be sworn in on the 27th of July, 2005, at the banquet, as follows:

William F. Mac Swain
Warren H Wiedhahn
Robert S. Banker (was not present)
Jeffery J. Brodeur
John G. Edwards (two year term)

President Dechert congratulated Directors Mac Swain and Wiedhahn on their re-election and acknowledged the two out-going Directors, James Jones and Dorothy Wenzel.

He also recognized Past President Nick Pappas who was a visitor. There were approximately 15 other visitors present, mainly from The Gathering, which was hosting the Executive Council meeting. The President thanked The Gathering on behalf of the Executive Council.

Approval of March 15, 2005, Minutes:

Secretary Duquette reported that there had been no corrections to the published minutes of the Executive Council Meeting on March 15, 2004, in Reno, Nevada.

Motion: Director Mac Swain moved that the minutes of the March 15, 2005, Executive Council be approved as distributed. Director McClain seconded the motion. **Approved without exception.**

Chaplain's Character Guidance Time:

President Dechert announced that Chaplain Robert Personette had been in a very bad accident and could not attend the meeting.

Treasurer's Report: *(Report is attached to Official Copy of Minutes)*

Treasurer Richard Hare presented the following reconciled balances report:

Checking Account.....	\$ 20,886.17
Savings Account.....	5,830.16
Smith Barney Account.....	<u>516,711.14</u>
 Total	 \$543,427.47

He reported that the funds in the Smith Barney account are starting to be tapped to meet expenses.

(President Dechert distributed a report, copy attached to Official Copy of Minutes)

Mr. Hare also presented a status of funds and the CPA's report for the first six months of the operating year (January, 2005, through June 30, 2005). The report states income and expense statements by breaking down the information into categories that are more readily identifiable for ease of understanding, particularly the sources of such income and expenses. The breakdown will now allow a better understanding how money is spent and accounted for. *(Copy provided to each member and available to visitors)*

Mr. Hare pointed out that the rate of expenditures exceeds the rate of income and that now is a time of the year when income from dues (cash flow) is at a minimum. He further explained that December and the first three months of each year is the period when income is at its highest.

Director Grogan: Why is this happening?

Director Mac Swain: I would like to know if you have set aside life member funds. Do we get interest off of these funds?

CPA Henderson: The Life Members balance on books is the result of the 2003 audit. We haven't changed that. It is not a separate account--merely a bookkeeping entry. This account draws dividends and interest.

President Dechert: Until you sell stock(s) you don't realize any income or loss. There is caution about the risk of investments. Everything that is invested can go down just as fast as it has gone up. Until those investments are cashed all we get from our investments is the interest and dividends earned. He also pointed out that he had earlier passed out a paper regarding the responsibilities of and regulations affecting a 501(c) 19 organization, which KWVA is. Any violation(s) will result in non-issuance/revoking of a Federal Charter.

Director Mac Swain: Didn't we have a previous motion to look into what we might do regarding our Smith Barney account?

President Dechert: We have invited a fundraiser to appear before you that may present some new ideas. In addition, Director Dauster has asked to present some proposals. There was a referral at the last Executive Council meeting to the Budget and finance committee to examine this matter and report back to us.

Treasurer Hare: The fundamental problem is that people are passing away. Unless we bring others in we will begin to go down hill. There will not be enough money to pass along for the future of the organization. We have to get new members in. We will have to enroll those serving in Korea today. Chapters must begin to enroll the non-members within their chapters--this will improve cash flow but will not ensure the longevity of the organization.

Director McClain: I am concerned about the life membership funds being in the Smith Barney account. Smith Barney could go down the drain tomorrow. Isn't there a safer way?

CPA Henderson: Smith Barney only services the account. If that firm goes broke it wouldn't mean a thing to us. Our monies are in money markets. The biggest portion of our funds with Smith Barney is in the Franklin Income Fund, as approved by the Executive Council last year, in the previous administration. I will discuss this further in our budget presentation.

President Dechert: The audit which was presented to the previous administration and Executive Council last June specifically warned of the risk involved in our investments.

Director McClain: Are these funds protected by the FDIC? Is this a smart way to hold our money for the life membership obligation to serve those members? Point I am trying to make is: is there a better way to protect these funds?

Treasurer Hare: Smith Barney only buys what we want them to buy and/or sell.

Director McClain: Who picks and chooses?

Treasurer Hare: These funds were chosen by the last administration. The laws require that no more than 5% (of funds) be placed in any one investment.

Member Louis Gasparini, LR08367, Chapter 208, Brewster, NY: What is the difference between income and expenses each year?

CPA Henderson: There is a six-year history. In the past five years it about broke even. In 2003, if you take out investment earnings, minus expenses, there was a negative, based on the calendar year. Calendar year 2003, the organization had a deficit of operations of about \$6,000. (In the paper that was passed out the CPA stated: (there was a) *“net loss of \$32,062 for the year! [2003] Assets were \$608,975 at Jan 1 2003 and were \$576,913 at end of 2003. and this was with \$31,885 of investment income. Another way of putting it was that loss from OPERATIONS was \$63,947 in 2003.”*)

Member Gasparini: What was it in 2004?

CPA Henderson: Approximately the same. A loss.

President Dechert: The end of year showed minus \$7,000.

Treasurer Hare: That is a ballpark figure the way I see it. It looks like with costs going as they are we will probably be pushing over \$100,000 deficit. In my opinion, in five years we will be out of business if we don't do something.

CPA Henderson: For 2004, including investment gains and losses, it's negative \$7,000.

Member Gasparini: This will only keep going (on)?

CPA Henderson: Dues receipts have gone down over six years and expenses have gone up; particularly *Graybeards*. It's a double whammy.

Member Bob Snyder [Not identified]: When we came back from Korea there was a speech that there are so many young men over there and we could get them to be the new blood of the organization. A few years ago Jim Ferris had a speech to get this done. This is a black and white organization--it's dated. Not a modern organization. We need new people like Jeff Brodeur. We need new blood. Bill Norris once said our organization will slowly dissolve. If we don't get new people the organization will slowly dissolve.

President Dechert: Four months ago we sent magazines to the day rooms in Korea. That is the first on the ground effort. Some are of the opinion that it is a waste of time. The young come home and they forget about us. We have to do what we can or that will be true.

Recruiting TF Chairman Jeff Brodeur: We have brought in about 60-70 new members. I'll give a report on that later. I have 253 (in KVA Maine organization) members who I am encouraging to join.

Member Richard Ziemba, LC00004, Chapter 141, West Wareham, MA: You're talking about chapters and having chapter members in national. When we made petition to start chapters...it was mandatory that chapter members be national members. There was no {such thing as} chapter members and don't know when it became effective that you could belong to chapters and not national. How and when did this separation take place and why was it allowed to take place?

Director Mac Swain: The earliest bylaws did not have anything that said you had to be a member of national to be a member of a chapter. People probably thought that any chapter formed would include only national members. So chapters got approved...the 2001 Bylaws changed where you must be member of national to be chapter member. Unfortunately, they did not follow bylaws as to how they were to be approved. We had to drop back to 2000. I have never found a set of bylaws that enforced membership in national. Chapters say "I'm a corporation and you can't tell me how to operate." We are hopeful that they will incorporate for their own advantage. It is the fault of national that this has never been corrected. It is very difficult as many have been chapter members for 10 or 15 years.

President Dechert: There are 230 chapters that exist out of the 300 on the books. There were departments where no officers were members of national. For national (charter) certification, we will certify only those chapters who are properly chartered and operating. We had a department that said they were not going to be a part of the national. We have to whittle where we can do something about it. We have to try to carry out what this body wants done.

Member Ziemba: In its inception the rules for the chapter being organized and accepted, stated they had to have 10-12 members who were national members. How this (present situation) came about, I don't know; too much single mindedness.

President Dechert: We are not the same organization as when we began. But we weren't seeking a federal charter then. If the members want to step away from that, it is fine. We do have an opportunity this year to get our bylaws changed and properly enacted. I'm sworn to follow those bylaws. We can't dictate totally to the chapters. It has to start with department where there is one.

Past President Nick Pappas, LR06509, Chapter 013, Rehoboth Beach, DE: We looked at chapters who want to know what national has done for us. Some chapters have helped spread the word by memorials, etc.. They participate at the grassroots level. Without the chapters there would not be a KWVA today.

President Dechert: It was the Forgotten War--without the chapters it would have remained the Forgotten War. The chapters are a vital component of our organization and we do not want to give an impression that we don't need them.

Director Morga: You won't certify a chapter unless it is a national member?

President Dechert: We can't certify that a chapter is a national member (if it isn't a national member according to the bylaws).

Director Morga: One important thing about chapters is that they bring in the members. (About a 3 to 2 ratio, members in chapters versus members at large)

President Dechert: We want to be inclusive.

Motion: Director McClain moved that the Treasurer's Report be accepted as distributed. Seconded by 2d Vice President Dickerson. **Carried.**

Reunions and Conventions: *(No written report provided)*

2d Vice President Dickerson reported on the upcoming reunion in Bossier City, Louisiana. He pointed out that room rates were \$79.00 + 21% tax. This means that rooms will be approximately \$100.00.

He reported that Steve dePyssler is optimistic about the meeting and estimates there will be around 950 people in attendance. If you haven't made your reservation, you are urged to do it.

Director Grogan: What airport services to Bossier City are available?

2d Vice President Dickerson: Bossier and Shreveport are twin cities and are serviced by American, Delta, Northwest, and Continental. [At this point the President directed Jake Feaster to get in touch with Steve dePyssler and website and Graybeards to ensure airport/airlines information is in next advertising]

2d Vice President Dickerson further reported that the next reunion is scheduled for Texas. He had responses from four hotels in San Antonio who were interested in providing rooms for under \$100.00 + tax. Several have quoted prices under \$100.00 + tax, but have tacked on a \$15.00 a day parking fee. This is unacceptable.

Director Dauster: Sacramento, California has been suggested for 2007, but thus far had not been able to secure reasonable costs.

Director Bob Morga (?): What's wrong with Reno? We had a great time there.

Motion: Director Grogan moved that consideration be given to a Nevada site for 2007. Seconded by Director Mac Swain. **Carried.**

Director Wiedhahn: I would like to suggest that a Reunion Committee be appointed to project meeting sites into the future.

President Dechert: We are required to have reunion sites be chosen three years in advance. When we assumed office there was only one chosen, Knoxville, 2004. Last year at Knoxville the members authorized sites for 2005 and 2006 (Louisiana and Texas). We're now looking at 2007. I might suggest instructions to seek a site within a state instead of a city. This would give more flexibility.

Director Dauster: Suggested densely populated areas. The West Coast feels that it has been neglected.

Director Pirrello: New York also needs consideration.

Director Morga: We had a good meeting in Atlantic City. Casinos seem to be a drawing point. We have to consider the wives. They seem to enjoy the one-armed bandits.

1st Vice President Adams: One of best places in Nevada is Laughlin. You can get rooms there for \$29.00. This is something to consider.

Treasurer Hare: Let's refer this to the committee.

Motion: Director Grogan moved that Nevada be given consideration for the reunion in 2007. Director Morga seconded. **Carried.**

The meeting recessed at 11:15 a.m.

The meeting reconvened at 11:30 a.m.

Budget and Finance: *(No written report provided)*

Director Jim Ferris: Budget is something put together from experience and with the knowledge that most budgets are not adhered to, to the penny. Most try to adhere to it. We in KWVA have the same dilemma. The income is not enough. Total income around \$257,000 a year...at least for last year and years prior that has not changed. There was a fundraiser used for the 50th anniversary. Somehow we have to raise more money and lower expenses. From figures I received from the Treasurer and CPA, if we continue on the path we want to accomplish this year, our expenses will be \$110,000 above our income. This means we must come up with new income to pay the bills.

I have a few suggestions: 1. Make the *Graybeards* a quarterly, savings of \$50,000 a year. 2. Two meetings a year would (annual and mid-year) save approximately \$40,000. 3. Cutting the Website at \$1,000 a month would save \$6,000. 4. Increase annual dues \$5.00 would increase income approximately \$45,000. This is up to you. Remember all that is put into the budget has to be paid for. That's the way it stands and we will see how it goes along.

You will recall that El Pozo Productions made a proposal for \$25,000 in assistance from KWVA to complete production of a video. This request was taken seriously and we contacted Mr. Cruz, who made a presentation, via a conference call. We wanted

answers to the following questions: 1. How many times a year would it be shown? 2. What type of exposure would it have? 3. Who would be the audience? 4. How many minutes will the KWVA logo be shown? The bottom line is that committee is recommending that we do not contribute the \$25,000 as the answers to our questions did not substantiate our giving \$25,000. Therefore, the committee suggests that we not contribute \$25,000 toward the production of the video.

Motion: Director Grogan moved that \$25,000 not be given to El Pozo Productions to assist in the production of a video. Director Morga seconded the motion.

Discussion: Director Ferris reported that the KWVA logo would appear for approximately 15 seconds and that no acceptable answer was given as to who would be the audience.

Action on motion: A show of hands indicated 11 in favor of not granting \$25,000 to El Pozo Productions for video production. **Motion carried.**

President Dechert: The *Graybeards* is biggest bargain in veterans' magazines. Therefore, tampering with the magazine would be ill advised. We can save \$22,000 to \$28,000 with each issue eliminated. Let's don't kick *Graybeards* around. Not getting new members fast enough is our problem.

Treasurer Hare: I mentioned \$100,000 deficits. If you take the cost at \$12.00 per year per person, that leaves \$8.00 for everything else that we do. We would have to recruit a lot of new members. If you could increase advertising that would be very significant. If you could raise membership by 20,000, cut the number of meetings, etc.... It would all be significant but you must do something. Would the members have objections to a quarterly? We need to control expenses now--not at some future time.

President Dechert requested Editor Art Sharp to address the question: In addition to *The Graybeards*, I also edit several other magazines. These considerations seem to be prevalent among veteran organizations.

Recruiting TF Chairman Brodeur: This is a great magazine! I'm trying to put the organization ahead financially. We also need to inject money in other ways, such as raffles, Rose of Sharon sales, etc. We have to find other ways to fund the organization.

Director Wiedhahn: We have to think about raising additional funds, i.e., raffle tickets etc.

President Dechert: We need to draw a line that says \$6,000 on ad revenue. I've tried all year. Other publications charge much more for their advertising.

Approximately \$1,800 can be saved by cutting eight (8) black and white pages in an issue; it is about double that for eight (8) color pages; cuts of sixteen (16) pages about double those eight page figures.

Past President Pappas: Related past experiences. Dues increases are a tough question.

Member Frank Bertulis, RO32814, Matawan, NJ: We have targeted members. How much for an ad? I would be glad to help with that. You have a captive market.

President Dechert: The magazine zoomed 30 pages and stayed at that level through the first issue we proofed. It has stayed at 80-90...there may be some possibilities.

Civil Counsel Faircloth: I've listened to a lot of conversations about dues, etc., I will say this: you are running this organization on the cheap. You charge \$20.00 a year. Nobody should run from the organization on a \$5.00 increase. A \$5.00 increase is something that is a no-brainer. You should have an Executive Director. That should be somebody who is accountable to the organization based on return for investment. All of this is what you sell to the membership.

President Dechert: Little over \$3.00 to run the organization after membership costs and magazine. I've been very hesitant to weigh in on budget material. We don't have enough experience to say this is a trend. It is something you can't jump at quickly.

Director Grogan: I would like to concur with everyone's statements. We must interest members to support the organization. Financial statements would be helpful in getting membership support before the members. A combination of all these suggestions will help the organization survive.

Director Mac Swain: We are not cheap. We are in competition with American Legion and VFW as a special group. We are Korean War veterans and up against American Legion and VFW. Their dues are \$23.00 a year for membership also including post and state automatically. Difference is American Legion has 2.5 million members and with \$23.00 they have enough to operate a big organization. It's the same for the VFW. You also have to remember chapters have to exist and state departments and suddenly what you have is not \$20 its \$30-\$35. That's not cheap. When you raise our amount by \$5 we have essentially raised dues to \$40 because chapters will keep theirs at \$15. Some operate on fund raising. Others do not and would not look at it favorably. We have to educate the members that everyone who says dues are too much doesn't understand that *The Graybeards* costs such and such amount of money because it doesn't say that anywhere--\$1.41 for each issue. We need to inform the membership what all the costs are. I think we should look at what we are spending before we decide to raise the dues.

Director McClain: Chapter members may pay up to \$40 a year in dues. Chapters can be in business for themselves. When it comes to membership a lot of them are recruiting chapter members and don't support the national. They do this by associate membership. I would guess that every chapter would have at least 20% associate members--so there are probably 4,000 associate members. There are 350 associate members in national. Raising dues now would be foolish. As Chairman of Membership Committee, I would like permission to put together a program to send out mailing labels

as a fund raiser to recruit new members. We have too many members who are not national members.

Recruiting TF Chairman Brodeur: Has anyone ever approached Hyundai or KIA for a car for a fundraiser?

Let's look at members available...there are 7M Korean War veterans. We only have 17,000. People don't know that they can join this organization. We've got 7M we can tap into. We're working on that. We need to think outside the box. If I was in Korea and had an organization who was going to act for me, I'd join in a minute. Let's treat every Korean veteran as if they belong here.

Member Gasparini: I belong to 2nd Division and every year they send me a flyer to put in the local newspaper to seek new members. Press releases to local papers...they work.

Director Wiedhahn: We need to be thinking about a professional Executive Director and national office...if we are ever going to grow past 15,000.

President Dechert: There will be a new special committee to report to us at Bossier City. Committees don't solve anything they just make recommendations. We need an procedure to put together all of these things and we need to enlist younger veterans. That is the final test to the cash flow of this organization.

Treasurer Hare: The Budget Committee is required to present a budget in October-- with \$100,000 or \$120,000 shortfall can you imagine what the reaction would be? What does Executive Council want us to present? We spend \$6,000 per issue of *Graybeards* just for mailing. The Postal Service talks about an increase in postage next year. Add that on to it. We have to have directions to present a budget that the group wants. That is why we brought up these things. We have to have something to present in October.

Director Jones: This will be my last time as Director but one thing we haven't discussed is cutting expenses of some unnecessary meetings we have. Maybe we should have two meetings a year. Also there is the matter of the advisers--legal fees, CPA, assistant judge advocate, judge advocate and all kinds of things that means travel expenses to all these meetings. We've never had these expenses before. I think you should address that issue.

President Dechert: We will take a lunch break at 12:30 and will reconvene at 1:30 p.m. I will recognize those requesting time when we reconvene. (Dauster and Pappas)

Lunch break was called at 12:30 p.m.

Reconvened at 1:30 p.m. (Neither Dauster or Pappas recalled what they were going to say. Agenda continued)

Director Ferris: As we did in Reno where it was suggested that Recruiting Task Force be formed, I would suggest that we now appoint a Fund Raising Committee who can receive all suggestions for raising funds.

President Dechert: With fund raising, cutting expenses, etc., an organization study committee will have a lot to work on.

President Dechert introduced Bruce Eberle, President of Fund Raising Strategies, 1420 Spring Hill Road, Suite 490, McLean, VA. [Mr. Eberle sat in on the morning session of the Executive Council]

Mr. Eberle: I have had an opportunity to learn about some of your concerns.

I have been in business for over 31 years and worked for about 40 national clients. Among those are several veterans and patriotic groups. Ever since September 11 there has been better support for veterans groups. I will tell you that a number of these groups have raised some significant funds.

I would like to suggest a no risk mailing to all types of potential donors. There is no obligation for you to continue after the results have been summarized. All funds from test mailing will all be yours. (An example) The museum in Rantoul, Illinois will receive about \$250,000.from our support.

Direct mail has two drawbacks: 1. it takes too long--(six to nine months on returns) and 2. it costs too much (printing, mailing, etc.). However, there are advantages: advertising to people throughout the country. We want a successful program. If results are good, we will give you a three-year program off of that test mailing. We would feel comfortable with such a program. I can tell you that if it is successful you would be able to see in 2006 some net revenue maybe only \$100,000 and by 2008 \$400,000. You have to build up a base of supporters. You would make your revenue from second mailings.

I can say that with veterans groups, over 50% of veterans groups are successful. Annual revenue that is generated is from a few hundred thousand to a million and one-half.

Director Jones: What type of mailing list?

Mr. Eberle: Ones who have responded favorably to past veterans' appeals. Each consists of small segments of eight different lists. We would test the lists from all sorts of variables. There has been a lot of national focus on veterans and those who have served in WWII but that window now allows you to build successfully. As long as there is someone who remembers the Korean War, you will be able to raise money through the mail. This can be a partial solution to your problems.

Question: What is the down side?

Mr. Eberle: There are no strings attached. You can evaluate it after the test mailing.

We would need a sign up for this package. It would take August or September for the test mailing and another 45 days after that. Results would occur toward end of the year. We would launch full effort in 2006.

Question: Who designs, has input, etc., of what gets mailed.

Mr. Eberle: You have to sign off. Money would come to an escrow agent.

Counsel Faircloth: You would need to be careful that it says the message that you want it to say.

Mr. Eberle: This is an emotional business. You have to appeal to emotions. If it's on our nickel then we need to have a say as to what goes into the package.

Member Don Byers [LR03658, Woodbridge, VA]: Most fund raisings are designed to appeal for funds for building things. What would be our appeal?

Mr. Eberle: Just the fact that you are trying to pass along what happened in Korea--valor, service, sacrifice, etc. We also have groups we raise money for helping out families, etc. I can only tell you after the fact. We would need a design that would appeal.

Director Jones: It is an emotional time for people to be appealed to.

President Dechert: Thank you, Bruce. You will need to discuss this further with Mr. Ferris. We won't be able to make a decision on this today.

Treasurer Hare: We have passed out a form designed for you to use in being reimbursed. Who have I missed with this form?

Nominations and Election: *(Written report attached to Official Copy of Minutes)*

1st Vice President Dick Adams, Nominating and Elections Chairman: We had nine people run for five offices. Our head count went to Bill Mac Swain, who garnered 1151 votes.

Altogether we had 1885 votes. We received 1999 ballots: 49 had no labels; members ineligible to vote-4; more than 4 votes-22; 7 were received with no votes marked. The following were also elected: Wiedhahn, Banker, Brodeur and Edwards. We will seat all five tomorrow night at the banquet.

President Dechert: Thanks to you, Dick, and Dick Wainwright for your efforts.

Bylaws: *(Written report attached to Official Copy of Minutes)*

Director Bill Mac Swain, Chairman of Bylaws Committee: I would like to propose the following motion:

Motion: I, Bill Mac Swain, make a motion that the Executive Council accept further changes proposed by the Bylaws Committee with only those areas the Council might have objections to brought up for discussion and amended before the next Bylaw objected to is discussed and amended. Seconded by Director Ferris. **Carried.**

Issue: *Membership change objections:*

Director McClain: Does this provide that a signed statement of eligibility for membership must be provided for approval and a Gold Star signed statement must be provided for approval?

Director Grogan: I question the elimination of providing a DD-214. If eliminated, anyone can join this organization.

Judge Advocate Charley Price: Maintaining a file of DD-214's is dangerous because the information therein is private. The new application (as appears in current issues of *The Graybeards*) must be filled out and it says in effect: I hereby, under penalty of law...and it bears the applicant's signature and if someone challenges it, I now know a short cut way to get the record. If he is not what he says he is.

Member Bill Burns [LC00251, Chapter 105, Camillus, NY]: Would just a signature hold up?

Counsel Faircloth: Only after proving that it an authentic signature.

Director Mac Swain: Once bylaws are approved, all secretaries will be notified of the required signature.

Recruiting TF Chairman Brodeur: It enforces the fact that if anyone who signs into this organization is lying we are going to prosecute you.

Director Mac Swain: You will find we are using an application form where you are supposed to put time you served within or without Korea. You are signing this as truth. We don't want to make it hard for someone to join the organization.

Sergeant-at-Arms Yanacos: If we are not comfortable with holding the DD-214's, should we receive a signed paper stating we have returned them?

Director Morga: Some times having a DD-214 on hand is of great assistance to the family of a deceased. We had one such instance last week, where the wife needed the information thereon and didn't know where to obtain it.

Director Mac Swain: If you keep them on file, you are responsible for them. The Bylaws do not state that a DD-214 will be submitted with an application. The membership procedure says filled out and signed official application form.

Issue: *Article III (II) Section 3. National Elections, C, 1, 3*

Director Morga: I see no reason to provide my "home" phone number if I list a phone number at which I can be reached.

Motion: Director Morga moved that in Bylaws Section 3. National Elections. Section C, 1 Requirements, (3) the word "home" be removed. Seconded by 1st Vice President Adams. **Carried.**

Issue: *Article III, Officers Powers and Duties*

Section 7. I General

Insertion of the words "guided by (The Board of Directors approved) Standard Procedure Manual and as outlined as follows: ... Is there any objection? (None expressed.)

A. President: All the way to the middle there is an quote mark on association membership meetings. He shall have the power to call the annual meeting and it should be association membership meetings. Any objection? (None expressed.)

A. President: To the bottom. All documents legally binding on the association shall be signed by him, except in the case of disbursements. Which will be done in accordance with the Executive Council Procedure Manuals. We wanted to give the Executive Council the ability to decide how the checks are going to be signed. That way we will be able to let the President sign or, depending on the situation, you will have the opportunity to approve it in the procedure manual. (No objection expressed.)

D. Treasurer: At the bottom. "...and disbursements shall be according to the Board of Directors approved Standard Procedure Manual." Then every treasurer will know what the procedures are.

The maximum number of persons you could have was three. It was suggested that three would be good but four would be better. Somehow they are going to have two appointed people. One officer and one appointed person. Four would help with that. There could be three officers and one appointed. Gives better opportunity to find someone to sign the checks. (No objections.)

Question: How would this affect our bonding situation?

Director Dauster: I handled the bonding. There is language in our documents to the effect that anyone designated by association to handle money is covered.

Issue: Article V, Departments and Chapters, I Departments

Section 3.4. Officers. We added Department bylaws to determine those appointed to council/board will have right to vote in department matters. Someone appointed does not necessarily have the right to vote. Department has been given the right to determine if they can vote. (No objections.)

Issue: Article VI, Association Official and Fiscal Year

With respect to January 1st to end of December. I put in Article 7 Official year on July 25 and fiscal year shall begin on January 1 and end on December 31. (No objections.)

Motion: Director Mac Swain moved that the proposed Bylaw changes by the Bylaws Committee and amended by the Executive Council be approved for presentations in *The Graybeards* magazine, for study by the membership per the existing 2000 Bylaws, before their vote at the October, 2005, Annual Membership Meeting. Director Dauster seconded.

Director McClain: Regarding associate members who do not wish to belong to the organization, we've got nowhere. I think we had a divided consensus if associates should pay national dues. Some said "If they want to." If a person joins the organization that is national KWVA, Inc., they fill out an application. I don't believe chapters should recruit members for their personal needs. We need money and it should come to the national. We have an auxiliary group which wants a refund of their dues because they don't get anything out of the organization. They will receive no refund.

At this point there was a ten-minute recess.

Resolutions: (*Written report attached to Official Copy of Minutes*)

Director Lee Dauster, Chairman of Resolutions Committee: There have been several resolutions received since our last correspondence. I request that you read my brief description of each and then let me know your vote--Yes (you approve) or No (you disapprove) Please explain your position if you do not approve of any given resolution.

Resolution #1. Hocking Valley Chapter, Logan, Ohio--Unanimous chapter resolution:

Resolved--Do not allow a *Graybeards* name change.

Resolution #2. Chapter 255; submitted by 1st Vice President, Harold W. Harmon

Resolved--That Eugene Chin Yu be honored with a life-time Honorary Membership and a plaque acknowledging the 30,000 plus large medallions Chin Yu has given to Korean War Veterans. Chin Yu has produced and distributed the large medallions at his own expense in

grateful appreciation of Korean War Veterans' contribution Korea's freedom.

Resolution #3. Wilbert "Shorty" Estabrook (LP00060) and Steve Szekely (R010744) (co-sponsors) have submitted a resolution.

Resolved--The KWVA lend its support to House of Representatives Bill 2369. This bill is entitled "honor Our Fallen Prisoners of War Act." That the Korean War Veterans Association support Congressional legislation that authorizes the award of the Purple Heart medal to all members of the Armed Services who died or will die while captives of an enemy force, and who are not otherwise eligible.

Resolution #4. Resolution submitted by the Resolutions Committee members at the request of KWVA Cape & Islands Chapter 1, Massachusetts; Lloyd Sherwood, Commander. (*Copy of Resolution attached to Official Copy of the Minutes. May be viewed at www.kwva.org*)

Motion on Resolution #1. Director Dauster moved that the name of the magazine not be changed.

Discussion: It was felt that the current Executive Council should not take action binding on future Councils.

Motion to table Resolution #1. Director Ferris moved to table action on Resolution #1. Director Grogan Seconded. **The motion was tabled.**

Motion on Resolution #2. Director Dauster moved support for enactment of the resolution to provide a certificate and plaque and honorary membership to honor Eugene Chin Yu to be presented at the October reunion. Director Mac Swain seconded the motion. **Carried.**

Motion on Resolution #4. Director Morga moved to support the enactment of the resolution regarding Chaplain Kapaun for presentation to the October reunion. Director Mac Swain seconded the motion. **Carried.**

Motion on Resolution #3.

Discussion: Many spoke against the matter for various reasons.

Resolution #3 failed for lack of motion.

Ethics and Grievance Report: *(No written report provided)*

Chairman Sim Goodall Ethics and Grievance Committee: It was reported that investigations are ongoing but have been delayed because of health matters. Past

President Coon and Past Director Cook have received letters requesting response within thirty days, but have failed to acknowledge receipt of notification.

Yesterday received copy of inventory dated 1997 valued at \$143,000, which included \$12,000 worth of medals and ribbons, \$11,000 worth of watches, and many other items of value. There is no record of how these items were disposed of. Have no record of agreement between Executive Council and Cook and have no record of what was in inventory or what was paid, etc. *(During subsequent discussion it was disclosed that the inventory had reportedly been sold at 25 cents on the dollar to one of the officers.)*

Question: Do you have record of inventory from Mobile?

Dick Adams stated that he had this information and will share this inventory with Goodall.

Past President Pappas: This was approved by the board at Mobile meeting. He further stated that the accountant's (Stan Myrda) report might be helpful in this matter.

Chairman Goodall: We are continuing to review this matter. This introduced the report and advice of the Civil Counsel.

Report of Civil Counsel: *(Written copy attached to Official Copy of Minutes)*

Counsel Jimmy R. Faircloth, Jr.: I have a prepared report *(attached to these minutes)*. We are trying to sort out some liabilities that affect this organization. I want to be frank in my comments. This is large, nationally prominent organization. I have never seen such corporate disregard. No litigation has been recommended due to expense that would be involved. Unfortunately we are just now beginning to find information and get to the bottom of matters. *(Copy of report and recommendations was distributed to members and some visitors before copies ran out)*

Director Jones: I understand there are allegations that ballots were illegally sent out to secure votes for the 2004 elections--approximately 300 illegal ballots. (Mr. Jones had not seen the Reno Report of the E&G Committee) Mr. Goodall affirmed that there had been such an allegation and that action was still being conducted. He cited the lack of cooperation in the investigation and the lack of records overall. He asked for any information which the members present might have.

Director Pirrello: I have video tapes of meetings that might be helpful to you and I will supply them to you.

Counsel Faircloth: I would like to have them. Any information will be appreciated.

Member and Director-Elect Edwards: I have copies of *The Graybeards* that go way back and would be glad to share.

Counsel Faircloth: Pointed out the dangers of e-mail citing some recently containing pornographic materials that showed incorrect senders.

Chairman Goodall: We want to know the value of the inventory items, when sold, to whom, and where is the money?

Motion: Director Ferris moved recommendations contained in the Civil Counsel's report be approved. Director Grogan seconded the motion.

Carried unanimously, show of hands.

Executive Council action approves and effects the three recommendations of the Civil Council's Report:

The EC should pass a resolution requiring all members to respond in good faith to inquiries by the E&G Committee.

The EC should pass a resolution establishing a rule of procedure that a refusal by an accused to respond within 15 days to a request by the E&G for information about a potential charge shall result in a presumption of validity in favor of the charge.

With regard to the pending charges of asset conversion and illegal ballots, the E&G should be instructed to re-request information from Mr. Cook and Mr. Coon, with notice of the above 15-day rule stated within the request. Additionally, because of the seriousness of these charges, civil litigation should be considered. Subpoena power will allow for depositions and written discovery that will produce the requested information.

Membership: *(Written report attached to Official Copy of Minutes)*

Director McClain acknowledged the work of Jacob Feaster and introduced him for his report.

Aide to President Jake Feaster: Reported that he had been given responsibility for oversight on the website. He expressed his sincere admiration for the work being done by the web master--Jim Doppelhammer.

He reported the following membership information:

36,355--Names in Database (Active and Inactive)
15,983--Voting Members
9,522--in chapters
6,461--not in chapters
6,750--life members (41%--are life members)
338--Ex-POW's
128--Ex-POW's are in chapters
41--Gold Star Members

25--Gold Star Members are in chapters
23--Medal of Honor Recipients
8--Medal of Honor Recipients are in chapters
350--Associate Members
243--Associate Members are in chapters
320--Charter Members of original 1,000 are members
200 of 245 Department and chapter presidents have internet capability
and are able to view and print their unit rosters

He urged members to follow the web site, at least on a weekly basis, as it is constantly being up-dated. The web site address is www.kwva.org

Membership Recruiting: *(Written report attached to Official Copy of Minutes)*

Chairman Jeff Brodeur: The Recruiting Task Force was put together in Reno. We have 12 members on the Task Force.

We have designed a patch that all members can wear with pride. The younger ones can relate to this patch. It says: Since 1950--Korean service veterans. Patch is in 20 states. Sale of items will go into Task Force budget.

I would like to increase membership to 20,000 to 25,000 members.

We need to utilize *The Graybeards* and website to inform post war veterans they are welcome as members.

We need to keep the memory alive. We have been doing this by selling the Rose of Sharon at various places. This has attracted new members.

Director Grogan: The greatest impact is to appear on television—sporting events, races, etc..

Revisit Program: *(Written report attached to Official Copy of Minutes)*

Chairman Tom Clawson, Return Visit Committee, presented a written report *(attached to minutes)*.

He asked for a show of hands of the members present who had made a Korea Revisit trip. Fifteen members responded that they had.

He complimented the staff at the Military Historical Tours. They have been very helpful over the years.

The Revisit Program started in 1991. Dick Adams and Kathleen Wyosnick were very active in promoting this activity in the early years. There have been 16,688 vets and/or their wives who have made the trip.

Other Business:

Director McClain asked permission to look into a **special label** to be used as a fundraiser.

President Dechert approved for him to develop as soon as possible and submit to the President for decision. (Without objection)

President Dechert : In answer to question from 1st VP Adams, called attention to the fact that the **2006 KWVA calendars** are for sale on the national website. He noted that those who had purchased them would probably find them in the mail by the time they returned home.

Treasurer Hare: Clarified that **investment policies** will be discussed in further detail at the next meeting.

President Dechert: Responded, yes.

Director Mac Swain: Called attention to the need for **contributions to the library**. He had a report to present that was not presented. President Dechert asked that information regarding the library's request be sent to the web site for consideration. (Without objection)

Adjournment:

Motion: Director Dauster moved that the meeting be concluded. Director Morga seconded the motion. **Carried.**

The meeting concluded at 4:40 p.m.