

*An operation run w/ integrity  
& beyond reproach*

June 23, 1989

Chuck Mc Carthy would have you believe that events of recent months are designed to close the home. He would further have believe that without him the home would close. George Darkenwald would have you believe that any interference by the board would jepordize our relationship with the State. None of this information is true. This home was started with the dream of one man, Ben Martin. It continued on the efforts of another, Jerry Robinson. Both men today are disgusted and frustrated by what they see as inept management by Chuck McCarthy. This home functions quite well without Chuck McCarthy as is evidenced by the amount of time he spends here.

Chuck McCarthy is a liar.

1. He says that we are here in an advisory capacity only, yet amended by-laws approved by resolution of the Board of Directors on January 28, 1988, signed by Dick Bailey and Floyd David clearly outline our duties, responsibilities and obligations. This took place less than 18 months ago. Now I was a board member then, I wasn't invited to that meeting. As I read the words, it doesn't mention anything about giving advice, as a matter of fact it is very clear in its statement. I can only assume that George Darkenwald is the author of the amended by-laws. I would ask him what was his thinking when he wrote these words. They do not sound like the kind of words describing an advisory board.

2. He states that there are no assets in KVH. That all assets are held by LCYE. Yet his 1988 income tax return states that there is a total of \$303,217.30 worth of assets. He indicates mortgages and notes payable at \$81,770.18. He provides a depreciation schedule. Now I'm no financial wizard. But it appears that there are some assets in KVH. Maybe Chuck can explain.

These are only 2 instances. There could be discussion on many more issues including general policy, operating procedures, financial accountability, personal management.

Gentlemen, if you want to be in an advisory capacity, then let me suggest that you all resign from your post as director and then you will have the same influence over the home as any other Kiwanian. Don't indulge in self castration just because that's what Chuck wants. Think of this home not as it is, but how it can become. Operated properly, efficiently, with integrity, beyond reproach.

Finally, if you refuse to assume your legal and moral responsibilities to the home and to Kiwanis, it is the feeling of my board in Chehalis and the Tumwater board that we will file for Declaratory Relief Action in the courts in an effort to have them determine our status. I hope it will not be necessary to engage in such litigation.

- 1. Financial
- 2. Policy
- 3. Future Funds
- 4.

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*Exhibit 1 - Home Assets*