
KIWANIS CLUB OF CHEHALIS

P.O. Box 338

Chehalis, WA 98532

Thursday Noon

Roy's Western Buffet

Division 40 - P.N.W.D

Chartered March 23, 1922

May 26, 1989

The Board of Directors
Kiwani Vocational Homes for Youth
2901 Sawall
Centralia, WA 98531

Gentlemen:

I truly believe that we are all dedicated to the successful continuation of the corporation for whom we serve and to whom we have lent our name.

Some of us have had the pleasure of witnessing the birth of this corporation. Some of us have had the opportunity to come on board along the way. As is the case of myself, I feel that I am participating in this corporation during its adolescence. All of us will witness this corporation come of age and what was once only a dream, will become the reality that we all believed it would become.

This corporation has been in existence for an extended period of time providing a foster shelter for youth in need of a stable way of life. Our support has been measured in different ways based on the talents that we all possess. With that in mind, the time is at hand to properly assume our responsibilities and obligations as directors and officers of the corporation for whom we serve. I am referring the responsibilities and obligations as enumerated in the articles of incorporation, the by-laws of the corporation and most importantly those responsibilities and obligations enumerated in the Revised Code of Washington as set out in Title 24.

Gentlemen, to this point we have been negligent. This has been a very serious offense that we have committed against this corporation and against the good name of Kiwanis. The church talks not only of sins of commission but of omission also. We have committed a sin of omission against our corporation and our name through our neglect of duty.

Title 24 of the RCW is that portion of the law that grants the authority for our corporation to exist. Title 24 defines board of directors as "...the group of persons vested with the management

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of the affairs of the corporation irrespective of the name by which such group is designated in the articles of bylaws." It goes on to identify the duties of a director. "A director shall perform the duties of a director, including the duties as a member of any committee of the board upon which the director may serve, in good faith, in a manner such director believes to be in the best interests of the corporation and with such care including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, reports, or statements including financial statements and other financial data, ..." it goes on.

The by-laws of the corporation state in Article 4 that "The business and affairs of the corporation shall be managed by a Board of Directors." It goes on to state that "all corporate power and authority of the corporation shall be vested in the Board of Directors. Such board of Directors shall have the authority and power authorized by law, including the direction and management of all affairs of the corporation..."

Gentlemen, this is our job. We have not fulfilled our obligations. We have allowed our corporation to get out of control.

Events that are taking place, are our own fault. We must act together to regain control. For the good of the corporation. For the good of Kiwanis.

For your information and discussion, I submit to you copies of correspondence that has recently come into my possession. I have, as all of you have, received correspondence from Eric Wood and Dr. Isaac Pope.

The Board must meet at the earliest possible time to consider these items, the unauthorized use of board authority by the Executive Director and what we intend to do about them.

In addition to this deliberation, it would be appropriate to discuss the following financial items:

1. Breakdown of specific sources of income for KVH:
 - DSHS
 - USDA
 - money
 - commodities
 - Other income
2. Budgets for all departments and school.

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3. Distribution of actual income to various departments.
4. Complete explanation of Direct Care Expense.
5. Complete explanation of Administration Expense.
6. Roster of all employees, complete with title, job description and salary information to be verified with with 1040 or 1099 forms.

Sincerely,

Henry Meister

Encl. 2

cc: Mr. Floyd David
Mr. James Hagen
Mr. Richard Bailey
Mr. Sam Morehead
Mr. James Thomas
Mr. Theo Britt
Mr. Herb Beeman
Mr. Keven Thompson

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