

# **ALLIANCE ANNUAL MEMBERSHIP MEETING MINUTES**

## **01/25/2015**

Meeting commenced at 12:20 pm.

Director Desotelle distributed an agenda and an Alliance Fact Sheet to all members in attendance.

### **Year in Review:**

CBO Haluska presented and explained Alliance's 2014 Profit & Loss and Balance Sheet documents to the membership. Profits for 2014 were minimal due to the loss of Starshow Presents payroll (Country & Rock USA) and some technical equipment replacements that occurred throughout the year.

### **Election Results and Process:**

Director Stengel announced the annual Alliance BOD election results and explained the timeline and security process that Alliance uses for sending and counting ballots for the election.

### **Audit:**

Due to membership inquiries regarding an outside audit, Director Stengel discussed efforts that the BOD has taken to try and find a company to perform an outside audit that;

- a) Is willing to perform an audit on such a small company, and
- b) Isn't so cost prohibitive as to cripple operating functions of the company.

An accountant has been found that's willing to perform an audit at a reasonable rate but it won't happen until after tax season. Also, information was imparted that Alliance's tax accountant essentially does a quarterly audit based on tax information that must be reported to State and Federal agencies.

### **Bank Change:**

Director Stengel explained the recent change of Alliance from banking at Associated Bank to Fox Communities Credit Union. The reasons for changing from Associated included increasingly poor small business customer service, rising bank fees and their high employee turnover rate. The straw that broke the camel's back was notification from them regarding dropping Alliance from the ability to offer direct deposit to its members.

At first, Alliance thought their direct deposit services were being dropped by Associated because it just wasn't profitable enough for them. Directors Stengel and Desotelle went bank shopping and found after visiting several banks and/or credit unions, that no bank was willing to do direct deposit for Alliance due to its status of "Third Party Sender".

Fox Communities Credit Union ended up being chosen by Alliance because, right up to the last moment, FCCU was confident they would be able to continue direct deposit only to find in the eleventh hour, they couldn't. Alliance decided to continue the conversion anyway to keep with the spirit of Unionism, their reputation for superior customer service, lower fees, and locations that are convenient to the majority of the membership.

### **ACH (Direct Deposit) Information:**

Director Desotelle presented information gathered regarding laws, procedures, inquiries, and any known resources and reasons as to why Alliance can no longer offer direct deposit to its members. The bottom line answer to date is, ... Alliance can't do anything about it.

From doing such extensive research into the issue, Alliance has found that:

- a) Alliance Inc. itself must be structured in such a way that it raises red flags to financial institutions.
- b) Banks can't answer our very informed questions because even they don't completely understand the regulations.
- c) Any solutions or answers to the problem won't happen any time soon.

Any and all information gathered by Alliance regarding this problem is available to any member upon written request.

Alliance's next step is to consult with a lawyer and/or business consultant to find out if Alliance needs to be restructured as a business in order to have the ability to once again offer the privilege of direct deposit. This consultation will happen sometime over the next few months. Any restructuring considerations would be contingent upon costs to the company and the impact that such restructuring would have on members and the operations of Alliance.

## **Alliance History:**

From receiving many inquiries regarding “what happened” with Dave Parpovich leaving Alliance as the CBO, Director Nielsen offered answers to the inquiries within legal boundaries:

- a) There were no misappropriation of funds or embezzlement on the part of anyone involved with Alliance Inc.
- b) The statute of limitations regarding the case, which is when any and all information regarding the case can be shared, doesn't expire until 2020.
- c) The actions taken by Alliance Inc. regarding Mr. Parpovich were more for the protection of Mr. Parpovich than for “saving” Alliance Inc. or any of its BOD.
- d) The gist of legalities involved have more to do with a misunderstanding of legal reporting procedures than a crime.
- e) As a member of the Alliance BOD, Ms. Haluska stepped into the position of CBO so the corporation could continue to ensure timely, uninterrupted wage payments to members employed by venues that use Alliance as their payroll processor.

## **Misc.:**

Director Desotelle asked the members present if all questions were answered to the satisfaction of members present.

Director Desotelle brought up rumors of the “cloak of secrecy” surrounding Alliance Inc. and stated that she would try to send out a newsletter to the membership regarding the workings of Alliance Inc. on a quarterly basis.

Meeting adjourned 1:30 pm.

