

Minutes of the One Hundred Eleventh Unified Carrier Registration Plan Board of Directors Meeting

September 7th & 8th, 2016

Washington DC

The One Hundred Eleventh (111th) Unified Carrier Registration (UCR) Plan Board of Directors (Board) meeting was called to order by Avelino Gutierrez, Chairman at 2:00 pm EDT.

Attendance - Board of Directors:

Present – Avelino Gutierrez, Adam Anderson, Sandy Bowling, Chris Burroughs, Mike Hoeme, Scott Morris, Elizabeth Leaman, Woody Chambers, Robert Pitcher, Monte Wiederhold, Daphne Jefferson, Tina Thurman, Rick Schweitzer and Larry Herold.

Absent –.

Avelino Gutierrez conducted a roll call of the States with **self-introductions** of government and industry representatives made by those in attendance.

Adam Anderson moved to accept the **meeting agenda**, which was seconded by Sandy Bowling (Exhibit A) – motion passed.

Avelino Gutierrez established the **teleconference ground rules**.

Presentation by Alex B. Leith, Attorney, Bradley Arant Boult Cummings LLP, Birmingham, Alabama regarding the possible incorporation of UCR. (Exhibit B)

A couple of things Mr. Leith pointed out was 1) there is many gaps in the law and it was hard to find anything like the UCR Plan out there to compare to and decide which regulations it would fit under. 2) There's a gap in the Act in relation to lawsuits. Although the Act relieves Board members of liability, it does not provide for Board members' legal costs to defend themselves. 3.) The UCR plan looks more like a trust than a corporation. However members of a trust are held to a higher standard.

Options was to contract out the services that can be contracted out – challenge was a lack of direct control – not that company's only client.

Incorporate as a non-profit corporation – create a Board for the non-profit who would then hire employees and that Board would meet on a quarterly basis and then the UCR Plan Board would meet 2 times a year.

Alex discussed how the Board for UCR Inc. would function and time frames.

Rick Schweitzer asked the question of how creating UCR Inc. would eliminate the gap in the Act to prevent a cost of being sued by someone – especially when creating another company with a separate Board could potentially cause more litigation.

Alex Leith responded that creating a non-profit will not completely eliminate the risk but will reduce the risk.

Woody Chambers recommended that there should be a motion to purchase directors and officer's liability insurance needed and Alex Leith agreed no matter what direction the Board goes the Board should purchase the insurance.

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Robert Pitcher reviewed his document which was a response to documents Scott Morris had distributed (Exhibit C).

A couple of the big items Robert brought up was that creation of a non-profit does not really give the Board control over the UCR program especially if the UCR Plan Board only meets once a year and maybe by phone at that. Hiring employee's directly creates problems. Robert also brought up a point that the industry would like to see the whole program go away, but since it is here then we need to make sure it is run the best and right way it can.

Robert brought up a point that if in the advent that the UCR Plan Board was to dissolve UCR Inc. it would put the Board in a pickle.

Rick Schweitzer stated that he has not heard anything compelling to incorporate over contracting out.

Scott Morris gave a great plea that something has to be done different. Scott badly needs help with the financial management aspects of the depository. Everyone agrees with Scott that something has to be done.

Daphne Jefferson pointed out that we actually are talking about to separate functions accounting and a business Manager/CFO that can provide oversight. There needs to be someone who can oversee it daily. It should not be Scott's duty to do that.

Rick Schweitzer mentioned that there are businesses out there that they can manage the day to day operations.

After the Break Avelino Gutierrez went around the room and asked if everyone would like to give their thoughts about how they feel and what their perspective is. No one was going to be held to those statements at the time of a vote.

Majority of the comments was that there was a need to get the insurance for the Board, work on contracting out services.

Rick Schweitzer moved that:

1. Establish a task group to work on an RFP to create a long term contract for financial management with a financial management company.
2. Purchase the directors and officers insurance.
3. In the short term contract with an financial management company to take the pressure off Scott Morris,
Seconded by Adam Anderson

Scott Morris moved to table the motion, seconded by Rick Schweitzer, motion passed.

September 8, 2016

Attendance - Board of Directors:

Present – Avelino Gutierrez, Adam Anderson, Sandy Bowling, Chris Burroughs, Mike Hoeme, Scott Morris, Elizabeth Leaman, Woody Chambers, Robert Pitcher, Monte Wiederhold, Daphne Jefferson, Tina Thurman, Rick Schweitzer and Larry Herold

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Scott Morris moved to accept the **meeting agenda**, which was seconded by Robert Pitcher (Exhibit A) – motion passed.

Rick Schweitzer moved to bring back from the table the motion made previously, seconded by Woody Chambers.

Rick Schweitzer restated the motion:

1. Establish a task group to work on an RFP to create a long term contract for financial management with a financial management company.
2. Purchase the directors and officers insurance.
3. In the short term contract with an financial management company to take the pressure off Scott Morris,

Seconded by Adam Anderson

Motion 1 # 2 passed.

Motion three was substituted by Avelino Gutierrez

Avelino Gutierrez moved that Dave Lazarides be allowed to travel to Alabama before the October 13th meeting to meet with Scott Morris. This meeting will determine what tasks Dave can take over on the Financial Accounting and comeback to the Board with any needs for further help, seconded by Robert Pitcher,

Motion passed

Avelino Gutierrez asked the following people to work on the RFP – Rick Schweitzer, Scott Morris, and Adam Anderson.

Scott Morris moved that we utilize Alex Leith, Attorney, with Bradley Arant Boult Cummings LLP be used for legal advice on the RFP, Rick Schweitzer seconded, motion passed.

Avelino Gutierrez moved that the travel budget for Dave Lazarides be increased by \$4,000 to travel to Alabama, seconded by Scott Morris, motion passed

Robert Pitcher moved to adjourn the Board meeting, seconded by Avelino Gutierrez, motion passed.

Future Board Meetings:

September 15th, 2016 12:00 PM EDT
October 13th, 2016 12:00 PM EDT
November 17th, 2016 12:00 PM EST
December 15th, 2016 12:00 PM EST
February 2017 (San Diego, CA)
June 2017 (Santa Fe, NM)

The Board adjourned at 9:30 AM EDT.

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Minutes approved by the UCR Board on September 15, 2016.

Adam Anderson, UCR Board Secretary

Exhibit A – Meeting Agenda

Exhibit B – UCR INC – Arrant & Bradley

Exhibit C – Response from Industry