

**THE AMERICAN DRIVING SOCIETY, INC.**

**SPECIAL MEETING OF THE**

**BOARD OF DIRECTORS**

**May 31, 2017**

The Board of Directors of The American Driving Society, Inc. (“ADS”) held a special meeting on May 31, 2017. The meeting was called by Mike Arnold, President of ADS, after proper notice was provided in accordance with the Bylaws of the ADS.

The meeting was called to order at 8:00 p.m. Eastern Time by the President.

The following Directors were present at the meeting and constituted a quorum for the purpose of conducting business:

Mike Arnold  
Dan Rosenthal  
Josh Rector  
Margaret Grillet  
Linda Bennett  
Teresa Bron  
Gwen Bassetti  
Deborah Bridges  
Ann Craig  
Heidi Ferguson  
John Freiburger  
Natasha Grigg  
Marc Johnson  
Diane Koopman  
Pam Miller-Mitchell  
Tracey Morgan  
John Porter  
Boots Wright

Honorary Directors Holly Pulsifer and Hardy Zantke, and Director of Administration, Stacy Carlson were also present.

**1. Approval of Agenda.**

President Arnold presented this meeting's agenda for approval. As there were no corrections or additions, the agenda was approved.

**2. Approval of the Board of Directors Meeting Minutes May 17, 2017.**

The President noted that minutes of the Board of Directors meeting held on May 17, 2017 had been distributed to the board members for review and then asked if there were any corrections or additions. As there were no corrections or additions the minutes were approved.

**3. Statement About the Vice President.**

President Arnold reported to the board that Dan Rosenthal's recent resignation as Vice President of ADS did not interfere with his position on the board, as confirmed by Anne Marie Cody, Esq. This means that no further board action is required and that Dan's term on the board has been continuous and uninterrupted since the commencement of his term on January 1, 2017.

Dan Rosenthal joined the meeting at the conclusion of this agenda item.

**4. Correction to Name of Financial Committee in the Bylaws.**

Natasha Grigg explained that a discrepancy in a committee name was discovered in the Bylaws adopted on May 17, 2017 to be in compliance with the New York Not-for-Profit Law. Specifically, the same committee was given two names in different sections, "Budget and Finance Committee" and the "Finance and Audit Committee".

A discussion followed about allowing the Governance and Bylaws Committee to make non-substantive corrections to typographical, scrivener and grammatical errors that are found in the bylaws subsequent to board approval.

Margaret Grillet made the following motion that was seconded and approved:

*That the board approve the correction to the Bylaws so that references to the "Budget and Finance Committee" be corrected to read "Finance and Audit Committee" throughout, and*

*That the Governance and Bylaws Committee is authorized without additional Board approval to make any and all other non-substantive corrections to typographical, scrivener and grammatical errors that are found in the bylaws.*

## **5. Adoption of UBS Investment Resolutions.**

Natasha Grigg reported that the ADS investment account has been transferred to the deBurlo Group. The deBurlo Group has advised that a change to the ADS investment objective be considered by the board. A discussion regarding the history of investment practices and the investment objectives of the ADS ensued. Dan Rosenthal explained that the investment objective of the ADS has been to generate income with capital preservation. The deBurlo Group has advised that adjustment of this objective be considered by the Board to allow for moderate growth with investment in equities of 60-65%.

John Freiburger noted that an adjustment in the investment objective to allow for moderate growth would be risky for capital preservation. Dan pointed out to the board that the Morgan Stanley account was invested 100% in equities, a moderately aggressive position that is contrary to the current investment objective. So, in reality, a shift in the objective to allow for moderate growth with 60-65% in equities, would be a more conservative approach than what has been practiced with the Morgan Stanley account.

It was also noted that the executive committee has been reviewing and monitoring the account activity and that the Finance and Audit Committee will have that responsibility going forward.

Natasha Grigg made the following motion that was seconded and approved:

*That the board act on the advice of the deBurlo Group and adopt an investment objective for the ADS investment account of moderate growth with 60-65% invested in equities and the balance in fixed income and cash.*

Natasha then explained that UBS will be serving as the custodian and broker on behalf of the deBurlo Group for the ADS investments. In connection with that, the UBS resolutions are presented to the board for review and approval. Dan Rosenthal also presented suggested edits to the proposed resolutions, noting that the edits limit certain trading authority of UBS so that the resolutions are more in line with ADS' investment objective.

The following motion made by Natasha Grigg was seconded and passed:

*That the UBS resolutions, as modified and presented to the Board for review, be approved and that the officers are authorized to execute and deliver the resolutions on behalf of ADS.*

## **6. Finance and Audit Committee Appointments.**

President Arnold reported to the board that Josh Rector, as Treasurer, is the Chair of the Finance and Audit Committee and that there are to be no less than three committee members who are all members of the board of directors.

The following motion was made by Natasha Grigg, seconded and approved with one abstention by Dan Rosenthal:

*That Dan Rosenthal be appointed to the Finance and Audit Committee.*

In the following discussion, it was agreed that the Finance and Audit Committee will set up a procedure for the transfer of funds from the investment account to the ADS operating (checking) account when needed. It was also noted that a third committee member will be appointed in the near future.

**7. New Business.**

President Arnold advised the board that he has accepted Margaret Grillet's resignation, dated May 18, 2017 and effective today, as Secretary and Director of ADS. He thanked Margaret for her work for the ADS.

He then advised the board that he has accepted Natasha Grigg's generous offer fulfill the mechanical and administrative duties of the corporate Secretary during the interim period of time between the effective date of Margaret Grillet's resignation and until such time as a new Secretary is elected by the Board of Directors. He noted that because he has not appointed Natasha as an officer of ADS, no board action is necessary.

As there was no unfinished business, the meeting was adjourned at 8:48 p.m.

Respectfully Submitted

Margaret Grillet, Secretary