

Fiddleheads Board of Directors
Meeting Minutes
April 17, 2007
Isaac School

In Attendance: John, Richard, Rich, Kristin, Annie, Jody, Liz, Janelle, Sara, Allen, Michele, Colleen, Mel Foti, Amy Sarcia, Hank O'Reilly and Bill Gash

Rich as timekeeper calls the meeting to order at 7:09PM, John facilitating and Michele as Vibe watcher.

Introduction of Member Guests

Appreciation of achievements of week: John- Sara and Michele for policies, Rich- thanks to Richard for extensive analysis, John- abatement complete

Sara reads Board Guidelines

Member Open Comment: John mentions we have 10 minutes only and that members may send the Board notices or attend another meeting.

Amy Sarcia speaks of her concerns for the way the coop is moving forward. She has not attacked the co-op and she doesn't appreciate attacks on her. She realizes we have lots of bills to pay but hears lots of talk and does not see lots of action. Amy says she is committed to the co-op's success and suggests that we do what our members want us to do. Being outside of the Board has shown her the co-op's place in the community. In January we had a plan and were moving forward strongly. Our Business Plan had the support of CFNE, BSECT and Peoples Bank. Amy hopes the Board will be able to work through its issues tonight. She has been in touch with the current President, Vice-President and Treasurer and she has shared everything she knew up to this point. Amy will not tolerate badmouthing of her name, either in writing or spoken. She was not the cause of our financial situation. She did not make decisions on her own. She has had respect for the coop and hopes that coop would continue to have support for her. Amy doesn't want to see anything bad happen but she has to protect her name.

Hank O'Reilly: (hands Board typed letter) He has serious questions that are listed in letter. Hank speaks of his experience in the retail world, owning 4 grocery stores and a fabric shop. He is currently a building contractor and he doesn't want to see whole project sink, but he wouldn't bet any money against it. As he see it, our debt is \$180K and we are continuing to spend money and Hank doesn't understand how with no money coming in. He has 46 years of business experience and this is not the government. This is not how it's done. Listed: a

number of items (some not listed because he doesn't want to look like he's nitpicking and criticizing) and he is offering to help. Hank says we need the help of people who have knowledge of business and contacting attorneys. Hank mentions how 4 months ago we started a campaign to ask members for money. He says ask all those members if they would loan money to this company knowing that they are spending the money they don't have. He says he would not spend money that he has borrowed for things that do not have to be done. He would like clarification on several issues. If he can't get the answers tonight, then he will have to get the answers at the annual meeting. In Hank's opinion we can open this store in a relatively short span of time. It may not be that grand but Hank doesn't think we can afford that. (Member comment time is called). Hank says he has asked questions but he can't get answers. He would like to know how much retail experience is on the Board and he suggests a four member Development Committee. Hank says he is ticked off about the accusations against Amy and the gossip against Colleen. He reiterates that he is offering to help and he is expecting to be approached. He tells the Board to plan this thing out, let's get this store open. He has been there. When you find yourself in a hole, you need to stop digging.

Annie expresses excitement to having Hank on board.

Mel Foti: President of the Bank of Southeastern Connecticut and a member. He joined because FH was moving to New London and he felt we could be one of biggest developments in economic help for the city, for the growth of the city and the community. When he first got to know co-op, he was presented with the Business Plan that was prepared by coop professionals. He felt our plan was well-reasoned, well thought out, and a good financial plan. CFNE, USDA, Peoples' Bank, they all thought it was a great plan. FH has executed certain business contracts and has mounting financial obligations, but has stopped the loan drive. FH will be in huge trouble if we fail and the Board will have failed at its fiduciary duties. A far better plan is to get the coop open now. We can expand later once our legs are built. As our banker, he is trying to support us in every way that he can, but we have run out of cash, we have no money coming in, and our financial items are building. Mel emphasizes our need to refocus on our previous Business Plan.

Bill Gash: Developer, Local Business owner and member. He says we had a good Business Plan and one of the reasons he opened a business in New London was because FH was coming to town. Bill tried to get us into Porch and Patio but the seller wouldn't accept our offer. He says we need to get open and we need to get open soon. He says we had great movement going forward, but we have stalled and we need to get moving. He would be willing to help in the business and as a developer he could help. Our bills aren't going to stop. Bill is really disappointed about the rumors and accusations flying around about Amy.

She has worked very hard and brought the co-op to where it is today. He is also disappointed by all the rumors about when we are going to open. He says it doesn't make any sense how we could be opening in the summer 2007 and now not until 2008. Something has derailed and Bill would be more than willing to be on an Advisory Board, but he can't sit on the regular Board. He says he expects to hear from Hank. He wishes good luck to everyone and reiterates our need to get open.

John thanks the members for coming forward and offering to help.

The Board moves to discuss Finances and New Business ahead of the previously scheduled agenda items.

Finances: Annie says that all the available money has been transferred to our general checking account. \$80,000 is on hold for the BSECT loan. We have \$15,000+ in bills to be paid by the end of April and that is about our monthly average. Janelle mentions her recent \$1200 deposit. Annie says she has our Sources and Uses but they need to be tweaked because some things have been double counted, but no drastic changes. Our momentum has stopped. Until our Sources and Uses are finalized we cannot go back to the CFNE or to anyone else and that's where we are. The Coop world is very anxious to have us survive. The USDA is very anxious. John mentions that he thought they rejected us. Annie says the USDA does not approve lines of credit, the loans must be immediately amortization with regular principle and monthly payments on a life span of 15-30 years but CFNE will do a line of credit for up to 3 years. After the 3rd year we have to assume monthly payments. The USDA is a guarantee because CFNE will not do unsecured financing. Our loan is through CFNE and the USDA guarantees that loan. Annie says CFNE fell asleep at the switch. We put our full application through and they approved it, saying they deal with the USDA all the time and they guarantee lines of credit all the time. But then the USDA told us they do not do lines of credit, and that we have to bulk up our capital. Annie needs to be told what to do with our Sources and Uses. Does she need to build in new debt? The Bottom line: \$250K. She can change that amount if we increase the floor plan. But then we have to re-address all the numbers that were changed. Rebecca Dunn says we can ask for more money if we are adding on the space downstairs and the space next door. CFNE would hear a request for more money and it wouldn't take long. They already have our business plan. Their max is \$350K but we should assume \$300K. Michele mentions that our Member Loan drive has been on hold because the yield was extremely low and something has to change in our marketing strategy. Something wasn't clicking so the Member Loan Committee was trying to make home visits. They didn't want to burn through the membership. Annie mentions a \$30K loan through CFNE who is securing loan (Thank you, John). This loan is available at 90% but we need to sign the paperwork. John mentions that the

people making this loan do not want the money used the way organization is moving now. We have \$7000 through the Coop 500 Fund. Amy mentions that she is aware of \$50K in member loans waiting to be pledged but that these members had confidence in Amy and Amy is not prepared to ask for these pledges until the new Sources and Uses is finalized. Finalizing the Sources and Uses is not as drastic as it sounds, we just need to look at the space next door and add the additional rent. The fit out would not add a lot of money, maybe \$100K. Discussion of how Charlie never committed to renting the downstairs space and how the community support is dwindling as rumors spread. The plastic on the windows is down and no work is being done. Members are asking what's going on.

Mel Foti advises us to stop searching for perfect plan, to go back to our workable plan and get it done.

The Board discusses the little door and the need of the additional space to make a larger door. The attending members express desire for us to open the store without a larger door. Our plan has been approved, so we have no code issues with the current door.

Hank O'Reilly discusses opening his general store and working with what you have. He says to make small improvements as we go, just block off sections for long term planning (meat, dairy, fish) and get open. He urges the Board to consider that we would have immediate business and that we are losing money every day that nothing is done. The Board discusses the current site issues such as leaks after rain and how no progress has been made with the landlord even with the use of attorneys. The pressure needs to be put on. Charlie has no faith in the coop because the rent hasn't been paid. The Board discusses how insane moving to NL market would be after being legally committed, and having spent time and money on the current site. Amy mentions that Peter Levine wouldn't take us now and that the 13 parking spaces at NL Market are not adequate. She is talking to people who are willing to buy the California Fruit building, but these are the same people who won't give their members loans because they don't know where co-op is going.

Colleen stands to address the Board and say she is not hearing many voices. She is hearing a few voices that aren't even on Board. She asks the Board how we are going to move forward because she is not hearing ideas or solutions. She asks does the board even understand where we are? Colleen has worked hard for four years. She says Amy was doing all the work back when Colleen was President and that no one knows the co-op as well as Amy knows the co-op. Colleen says she is not hearing who is going to step up and that we need a dynamic person for President because that person is the face and voice of the co-op. She suggests that Amy needs to come back and that she (Colleen) is

willing to come back. Colleen says that John has asked questions about the history of the co-op. Colleen feels the difference between the founding Board and the current Board is that the current Board has spent a lot of time at the table and not a lot of time on the streets and in the Coop world talking to people, the grass roots stuff. She says the Board needs to be mix of visionary people and business people, that finances aside, we need the people like Amy who can talk the talk, that is how we got this far, through tabling, etc. She again urges the Board to talk about bringing Amy back. Colleen mentions how her feelings were hurt because she reached out to Coop world in a time of crisis, which is what we've done all along. We didn't have to pay for the help she found. Some we did, but some of the most valuable information we received we didn't pay for, it came from people who are doing it right now. She talks about how she learned things from Lynn Benandar that she hadn't known for four years about what was supposed to be happening and no one wants to hear it. Colleen and Amy have been through Board training with Lynn Benandar and CDI and they have worked with coops to learn. Colleen says that the founding Board spent \$65K through a USDA grant to get professional help and to get to where we are today. She says the founding Board didn't make up the Business Plan, the Board Guidelines, the Bylaws and the Policies. These things came from the Coop world. Colleen hopes that the people on the Board who haven't been to coops around here can realize that maybe that's something they need to do to learn what is going on. She says the Board should not feel that it hasn't done its job because it has but that the Board needs to get through this difficult hump. Colleen reminds the Board that the homework was done before a lot of the new Directors even got here but that more work must be done. Progress includes growing pains. She urges the Board to have faith and that she respects everyone sitting on the Board and has from the minute we got here and that she respects our abilities to follow these guidelines and read the policies and make the co-op happen. Colleen says we were moving forward very strongly until we hired the GM. She is not blaming Richard, but we need to get over this hump. We need to look at our plan and look at Richard's plan and come together, and quickly.

Jody addresses Amy regarding the current GM report saying there is liable and slander, defamation against Amy in the report. She asks Amy not to take action against us until we can address the slander. Amy says there are things said directly to her that she respects and things that were said behind her back that she does not respect. Amy says the whole Board was working together and that everything she did was reported back to the Board and discussed. She says we all make mistakes and urges the Board to call her out on hers and other's mistakes but that she is not willing to hear blatant lies, lies told to the co-op. Amy says that Board members sitting here know that blatant lies were said against her and none of these board members have called that person out. Amy says she could run to Steve Slosberg or run to Nutmeg and call the coop out on

this, but that she believes the co-op is more important than what people on the street think of her but that she won't tolerate a continuance of this. She says she has worked too long and too hard to have the problems of the co-op blamed on her.

Jody asks Amy if she would return to the Board as Board member. Amy says she worked with Richard and bent over backwards to change her well-educated view and take into consideration Richard's thoughts but that she cannot go to the public and ask for members loans, cannot go to financial institutions and can't sit here without blowing up, without a firm plan of action to move forward that can actually work and keep in tact community commitment and our members' commitment. Amy says she is not looking to drive Board members out who might want to leave if she comes back but that if the board wants her back, she would definitely consider it.

Sara makes motion to have Amy rejoin the Board and retake her position as President. Annie seconds. Discussion. Richard questions whether that is allowed. Amy says that according to the Bylaws, the Board would have to vote her back onto the Board and then the Board would have to vote her in as President, as two separate actions. She says she does not need to come back as President because she doesn't want it to be said that her leadership is meant to be domineering or that she kept other people from voicing their opinions. Amy says that she strongly believes that every member has a right to have his or her say and that is the reason she resigned, because she didn't ever want it to be said that she kept anyone from having their say. Annie says that the problem is that there are people who are always going to have a more forceful personality and a more direct approach and that everyone else needs to develop a sense of strength and ante up and when they have a problem, they need to say it. Colleen reminds everyone that if they board would educate themselves on how the Board works and how the Executive Committee works, then Amy's voice wouldn't be an issue.

An argument breaks out between Allen and Jody over Jody's personal notes on the GM Report. Allen walks out of the meeting saying he resigns. Richard walks out. A brief recess is called.

Once the meeting is reconvened, Rich makes a motion to scrap the current agenda and discuss Hank's idea for a Development Committee. John suggests we first have a discussion to sort out our emotions. The Board tables Sara's motion of Amy rejoining the Board. The Board tables Rich's motion of discussing a Development Committee.

John discusses his reasons for joining the Board. He says he would have been happier to be a committee person. He feels being on the Board is out of his

comfort zone because he is not a businessperson but he saw that no one else was coming forward, so he had to jump in and grow into the position. He says that out of passion for the project he worked on FH as a part time job. He mentions that a lot of unsung heroes on the Site Committee have not been appreciated. He would have loved to have more contractors involved because he is not a contractor but he was there because he didn't see anyone else there. John says the Board has to grow with some really strong professional people who know business and that is not him. He reiterates that he would be much happier being a committee person because he likes to sit at the farmers' markets and table. He wants to be a part of the co-op's educational program. John says his strength is in organizing community events. He says the Board needs people who can do a board type job, who know how to manage a GM and who know policy but that he came forward because no one else came forward. John says he would appreciate if these business people who spoke tonight would come on Board. He would stay on the Board until the annual meeting and then he would join a committee. John mentions that he has not been sleeping because he has been trying to find solutions. He feels the Board is in over our heads but we had passion. We saw a need and we jumped in. He would like us to draw in the maturity and leadership skills and experience that the attending members have, and that they would connect us to other people of the same level that would strengthen us so that some of us are not stretched beyond our level.

Janelle mentions how people not being business people on Board have opened up her opinion on things. She says we need people with different experiences, we need a business half and a creative half. Hank O'Reilly discusses John's many contributions at site and in getting volunteers. He says that looking at growth, we wouldn't be this far without John. Rich mentions that we don't need to replace anyone on the Board, we need to add more experience. Annie agrees that we need diversity and that she has mediocre coop understanding but great corporate understanding.

The Board discusses how opening the store is very important but only part of bigger picture of co-op, our greater purpose is to get out into the community and educate, to teach people about sustainable agriculture, about the food their eating, and the importance of the environment. We need to trust the business people now and trust creative people later with the education and the programs of co-op. The Board discusses "How to Start A Coop" and the blend of visionary and business. The Board discusses the need to recruit business people but wonders how to recruit business people.

Annie makes motion that for time being until we are up and operational the Finance Committee becomes a Developmental Committee. Annie suggests that Hank O'Reilly, Jody, Amy Sarcia, Colleen, Mel Foti and Bill Gash join her on this committee, as an ad hoc Board committee, not an operational committee.

She says that before hiring the GM, the Board needed to create a plan that could be handed over to the GM and that the Developmental committee would create this plan and present it to the Board.

Sara discusses how she has spent hours over the last two weeks learning how to be President since Amy resigned, and that she had accepting working with Richard. She says that she and John spent a lot of hours on tonight's agenda and that she felt really positive all week about the co-op's potential until today when she saw Richard's letter to the Board. Sara says that everything she thought that she and Richard had been working towards was shattered before she even read his report because she was responding to angry emails from other Board members questioning why his report was coming the morning of the meeting and what he was saying. Sara says that she agrees with most of Richard's report except the slander and that his plan makes perfect sense. She then says that she has heard things about Richard today that are not things that she can say first hand but that she would like other people to tell the Board what they have heard. Sara says that the Board has been going along a path and just accepting things as they come without hearing the whole story. Sara says that she would like to take the blame for hiring Richard because he was presented as the one and only candidate. She says that she did not follow up on what the GM Hire Committee had done, or checked that they had adequately checked his references, that she had assumed someone had called his references and that they had been good.

Rich interjects that one of the operating policies is that we are supposed to trust the committees.

Sara says that in hopes of being positive and moving forward, she doesn't want to blame other people so she is willing to take the blame, saying she had been going along blindly. After Amy's resignation, Sara realized how much she didn't know, about Policy Governance and beyond. Sara says she thinks the Board is following the wrong GM candidate. She says that it is not what Richard is saying the Board should be doing that she disagrees with but that she has issues with Richard as our GM and that she would like the Board to evaluate him. Sara asks Amy to share with the Board what she has heard.

Amy tells the Board that Richard was the GM at Harvest Coop for 4 months as interim and that he was not rehired. Board members acknowledge that they were not aware of this fact. Amy says that the Board of Harvest would be willing speak to our Board in person but not via phone regarding Richard. Amy acknowledges that she called Allen, as chair of the GM Hire, and pushed for hiring Richard. She says that she doesn't think we looked in the right places for a GM, that we felt like we were under a lot of pressure at that point to hire a GM

for CFNE and the Coop 500 and that we expected the GM to help us to finalize our plan, but that we weren't ready, especially for someone from outside this community with only 4 months experience as a GM, and 1 year experience on a coop Board. Amy says that Allen made several reference phone calls and no one called back. She says that she doesn't call back when she has a negative reference for someone because she does not want to be liable. Amy says she pushed, thinking we needed Richard even though only one person returned Allen's call, a female person who worked at Harvest, and was a personal friend of Richard, and did not work in any supervisory position. Amy says we wanted a GM and here was a guy who said he could do it. Amy says that she had spent weeks with Richard, but that she was not in the position to tell him what to do (per PG) so she would say here's what I think, here's the big picture, and he would say: I need to do a GM report, hire a bookkeeper, put together organizational chart, but that weeks went by and nothing happened. Amy says she didn't blame him personally; instead she went back to his resume. She went to Harvest with Richard and then she went back the following day alone to talk to the people there. Amy says the current GM tiptoed around our choice of Richard as our GM and asked Amy if she knew Harvest had decided not to rehire him. Amy says that she does not think that Richard has the experience or capability of being the GM of a start up coop; based on his performance, not his resume, that his strengths are not strengths we need as start up. Amy wonders if Stuart or Lynn came on as our GM if we would have experienced growing pains as badly.

Annie says that intentionally or unintentionally, Richard has created divisiveness among us. With his GM Report, he waits until the last minute and hopes some people won't read it, or whatever, and that he is telling one faction this and telling another faction that but a house divided amongst itself can't stand. We have to be all on the same page or we're done. Annie says that she doesn't think Richard brings that unity or that unifying nature to the table that we need. Richard told Amy that members of the Board came to him and told him that she squashes them, and he told Amy that they are afraid of her, that she keeps them from being able to vote their conscience and speak their minds.

Hank O'Reilly says that Amy mentioned that all these institutes want a GM for funding, and he wonders if we can't appoint someone as a non-paid person to act as GM. No salary.

Amy says that we should not blame Richard. If we were able to give him a plan, if we were better prepared, he could have taken that plan and run with it. If we were more prepared, we may not be having this conversation, or maybe we would anyway. If a GM came with true experiences skills under their belt, we could have gotten over this hump.

Annie remakes her motion for the Development Committee to revamp that plan to give to Richard and to give him 30 days to put the plan into effect. Now we have benchmarks to govern him with.

Hank O'Reilly mentions that we owe Richard four weeks pay, we have \$13 and now we're looking at another month.

Jody states that she doesn't want to work with Richard because she doesn't trust him. She doesn't think he's the right fit. Jody says that if he stays, she has to go because she will be a weight to the Board. She doesn't want to work with him because she doesn't like the way he talks to the Board, she doesn't like the way he languages things. Jody says she has found a lot of discrepancies in Richard's GM Report and that it is not a report but an evaluation of the Board. She says that in a GM report, Richard is supposed to report back to the Board as to how he has adhered to our policies. His report should have been about the work he has done. Jody mentions that she doesn't want to go on a retreat with him and that she doesn't like the triangulation.

Annie again makes her motion for a Development Committee as ad hoc committee of the Board.

Colleen discusses her call to Lynn Benandar, the Executive Director of CDI, who wrote most of the policies that most of the coops use. Colleen called Lynn because she gave us policy training and governance training and she is the GM of a start up energy coop. Colleen told Lynn that the Board was in chaos because the President resigned, we were not ready for a GM, we didn't have Executive Limitations in place and it's a mess because everyone's arguing. Colleen asked Lynn if she could help us because we didn't know what to do. Lynn told Colleen that before hiring the GM, the Board was supposed to have a Development Plan in place, the Policies in place, both Executive Limitations and Ends. Lynn said that the GM is hired to achieve the written vision and mission of the co-op, as it exists. He is an employee. Lynn told Colleen that the Board needed an orientation with the founding Board, the current Board, committee members, and anyone who has been involved in the co-op to welcome the GM and to tell him what they did for the co-op and why so the GM would know where we've been and why and why we even exist. Lynn said that the group should look at the assets and resources in the community and what the blocks are and that together we share a vision of the co-op. Colleen mentioned to Lynn that Richard had a grander vision of the co-op. Lynn said that the vision had to be agreed upon by the GM, that the Board gives the GM their Policies and the GM reports to the Board on how he is fulfilling those Policies. Lynn said that every month she writes her report and sometimes she doesn't make her goals and she tells her Board that she didn't do everything that she needed to do and that sometimes she does great and she fulfills everything and the Board is

happy. Lynn also told Colleen that it is imperative that the Board speaks with one voice to the GM, that the Board can argue in front of the GM (in an open or closed meeting) and the GM can see the Board working but the Board must always come to consensus and the GM hears one voice. Lynn said that the Executive Committee is in place as oversight committee of the Board, oversight of strategy. These people are on the Board to arrange for policy governance retreats and decide how and what they can offer to the Board to improve communication skills or other tools that the Board uses. The Executive Committee's job is to get the Board to speak with one voice to the GM. Lynn told Colleen that there should be a Chairman and the Chairman's job is to meet with the GM to get the GM familiar with the Policies. The Chairman runs the Board, runs the policy, runs the agenda, and creates the agenda for every meeting. The Chairman runs the Board meetings, using Robert's Rules and is responsible for all the policy being enacted in the time the Board needs the policy enacted.

Janelle mentions that the Development Committee, bringing Amy back onto the Board, and the Sources and Uses need to be discussed right now. She feels that the Chairman is a necessity, but not for this moment.

Annie asks for more discussion on her Development Committee motion. The Board approves the motion to form the Development Committee with a vote of 8-0-2.

The Board returns to the motion for Amy to rejoin the Board. Janelle questions Amy as to whether she is able to discuss things more calmly in the future. Amy says she will try but that she is who she is. Janelle discusses how she personally speaks less if the volume of the Board's discussion increases, that she can't function in the same way under that situation, and that she has that concern for everyone.

Sara discusses the need to revisit Robert's Rules and the process of going around the room so that everyone has the chance to speak and that the Board needs to do a better job at following the agenda and keeping to the time. Sara feels that the Board always acts like pressing issues are too critical to stay on the agenda. Sara thinks that first the Board needs to give more realistic times for agenda items and then be stricter about enforcing those times.

Amy tells the Board that each person needs to focus on being a better Board member and that each person needs to come to the meetings prepared to speak up, that the responsibility of a Board member is to say, I'm sorry but I disagree with you. Amy says that it is important that everyone comes to the meeting prepared to discuss whatever needs to be discussed that although certain times will come when this is not possible, it should not be every meeting.

Amy says that if every board member knew the Policies and the Bylaws and asked appropriate questions, there wouldn't be as many problems and cause for misunderstanding.

Michele asks for actions and decisions. She says there is a lot the Board could talk about but that the Board needs to look forward and decide about how to start fresh now. She reminds the Board of its commitment to a clean slate for this meeting.

Annie returns to the Sources and Uses saying how these need to be tweaked because of Apple's mathematical errors, but that Annie can work with that. Annie says that the Development Committee will work on the Sources and Uses but she wonders if they will need to be approved again or if she can proceed with the formal applications. Annie makes a motion to make corrections to the mathematical errors and go forward with the Sources and Uses as is, as long as she doesn't deviate substantially and to ratify formal approval with CFNE and with the City of NL and USDA.

Annie tells the Board that in regards to the City of NL, she has the applications ready to submit but these applications are based on the old financials. Ned Hammond knows about our applications and he is ready to meet with us. These loans have a short turn around, and the City has the money. Annie says that the Board can redo the Sources and Uses later and reapply for more money. The Board discusses that renting the additional space was not only for bathrooms but also for an entrance because in the future these couldn't just be added on that easily. Annie says that the Development Committee could look into this and wonders if the Board should wait and decide.

Sara says that she doesn't have faith in the Board's ability to move quickly on anything that the Board needs to wait on before deciding but that she does have faith in moving quickly with an already approved document. Annie reiterates that the Development Committee will look into renting the extra space and if the financials deviate far from the original document, she will inform the Board. Annie says that she can have something formal within the next ten days, whether old or new and that the Board can say okay and resubmit to CFNE and USDA.

The Board discusses Richard, wondering if he has resigned because he has walked out of the meeting and acknowledging that he would need to resign formally. The Board discusses its need to decide what to do with Richard, and if the Board wants to work with him. The Board discusses how running out of a meeting is unprofessional.

John reminds the Board that irregardless of who Richard is and what he has done, the Board has their own part to play in this situation because Richard has moved down to New London, signed a year lease in Ledyard, and that even if the Board doesn't like what Richard did tonight, Richard has put a lot of effort in, trying to make connections in the community in various ways, putting his heart into the project, and trying to make something happen in his own way. John says that the Board may have a case here of a misfit situation. John says that although the Board didn't sign a contract with Richard, the Board should consider the uprooted person that was brought into this situation and in good conscience the Board should provide a severance for that situation, some way to tie Richard over until he adjusts himself or the Board should pay Richard's costs to move back to Boston.

Michele disagrees from a business standpoint because Richard is employed at will, and that the Board doesn't have a business responsibility to take care of people beyond their employment with the co-op. Michele acknowledges that it would feel good, and would be a nice coop thing to do but that currently, the co-op doesn't have the funds.

Rich says that if Richard chose to quit, then he is responsible, but the Board still owes him three weeks of pay.

Amy says that the Board doesn't want Richard going to the Coop world to complain about Fiddleheads, to any extent that the Board can prevent this action. She suggests saying to Richard: here is our plan, if you can abide by this plan, perhaps we can work together again. Amy says that he can say: no, not after last night, or I don't like your plan, but that the Board should give Richard the option to work in the way the Board has chosen to move forward and to give him the choice to move forward under our guidelines or not.

Hank O'Reilly says that he doesn't feel this is an option based on what Richard said about Amy, what he said about the Board, and because his report is not a report. Hank refers to how Richard calls himself "the counselor, and an instructor..." and says that the Board can't work under those conditions and that Hank wouldn't want the Board to be back in this position in three more weeks because the co-op can't afford it. The Board has to move forward, moving forward is good business thinking. The Board needs to have an improvement plan and a metric system to measure whether the GM is complying.

Sara mentions that she doesn't think she is capable of serving as interim President because she allowed the meeting to run this course instead of sticking to the agenda. She says that she doesn't think she can work with Richard either because she can't dedicate weeks and hours to Richard and then have all their progress shattered every Board meeting. Sara says that she is not willing to do

that. Sara also says that she doesn't feel capable of being the person to fire Richard.

The Board discusses contacting Richard to see what his plan is and holding another special board meeting.

Mel Foti discusses the Board's humility of each person's qualifications and commends everyone for the courage to step into a position despite feeling in over our heads because we saw need and we were willing to jump in. Mel says that although we were not prepared for what we stepped into, we rose to the challenge. He says the Board has absorbed information and risen as we have gone along. Mel discusses the Board's responsibility and how being on a Board is really hard work because you have to get your prep work done and business decisions have to be made. Mel says he is hearing consensus on whether or not Richard shares the Board's vision for the co-op and whether Richard's prepared to work in harmony with that vision. Mel mentions that the Board also some ethical issues that need to be addressed. He says that the Board shouldn't wait to hear from Richard to make a decision, that the Board should know and have courage to make decisions that are in the best interest of the co-op and that the Board should not allow someone else to dictate what is going to happen to the co-op. Mel says that in recruiting, it's far better not to hire than to hire the wrong person because of the retardation of the process: hiring the wrong person then not only causes the business to not make progress but some progress gets unrolled. Mel says that it's okay to disagree with these institutes who say the co-op needs a GM right now because the Board knows this co-op best and that all these little rules made by financial institutions are flexible because there are always a lot of reasons why people don't do things conventionally. Mel encourages the Board to keep doing what it has been doing to get the job done and to share the responsibility because this Board is a very special group.

Amy mentions the Groton Big Y manager who has expressed interested in the GM position and how he knows a 40,000 sq. foot store, knows natural and organic products, and how there are other people in Coop world too. She says that eventually there will be an appropriate person out there to be our GM, locally or otherwise.

The Board again discusses Richard walking out of the meeting and wonders where he will be if coop is open and in trouble.

Janelle mentions Richard's negativity and how it weighs the Board down. She says that his negativity is not going to work with most of our members, based on how they react to one negative thing; it takes 6 months for the co-op to recover.

Annie moves to terminate our relationship with Richard effective immediately. The Board discusses the need for legal action and humanitarian behavior. Annie says that how we do it and if the Board wants to consult with someone is fine. Sara mentions that Richard's involvement with the co-op has opened the Board's eyes to our weaknesses but that she thinks we are not ready for a GM. John agrees that despite our weakness and problems we need to think of the points Richard brought up. The Board discusses the need for confidentiality to be strictly enforced until we speak with Ellen Brown and how Richard has not signed a confidentiality agreement. The Board also discusses the need for professional PR help in informing our members and the community of our decision. Colleen says that she will call Lynn Benandar to guide us on how to inform the Coop world at large. Annie says that she will call Ellen Brown and she mentions that if Richard was fired from Harvest, they managed to push it under table so there must be other resources, but that if we react in a way that causes Richard to feel slandered than the tables have turned, so we don't want to make big deal of the decision but we need to put a firm foot forward. Sara says that after the Board votes, the Board needs to discuss how each individual Board member is going to handle the next steps because she would hate to see more triangulation; the Board needs to speak with one voice. The Board moves to terminate the co-op's relationship with Richard Krasner effective immediately by a vote of 6-1-2.

The Board approves the earlier made motion to bring Amy back onto Board by a vote of 8-0-1.

The Board recaps the decision about Richard, agreeing to say nothing and not to discuss the decision until Annie calls Ellen and Colleen calls Lynn. The Board agrees not to email about the decision until receiving legal opinion and that if Annie and Colleen need more information, they can filter through Janelle and Sara, who can make phone calls to keep things more personal and to make sure that emails are not misconstrued. Sara discusses the realistic situation and how Board members should behave when Richard calls tomorrow. The Board agrees to tell Richard that he/she cannot comment to him, but that he/she can accept his resignation or inquire why is he reaching out to that person, but that Board member is to tell Richard that he/she can't talk to him right now and refer him to Sara. The Board discusses that this response respects Richard and respects the Board and the need to speak as one voice. The Board agrees that everything spoken here stays in this room and acknowledges that the situation is not over and will be very tough now.

Meeting Adjourned 9:48