

Special Board of Directors Meeting (Final)

March 16, 2020 7:00PM

Present: Linda Stemnock, Steve Wisdom., Jess Carrasquillo, Sandra Carrasquillo, Erich Bauer, Naomi Lantrip, Steve Stemnock, Shirley Frye, Dan Black

Absent: Raj Handa, Rob Jacobson, Ellen Morrow, Chris Cummins, Phil Wagoner

Guests: 5

Linda explained to the Board that Dan, through his attorney, requested copies of supporting tax documentation for 2017 and 2018 to determine whether the appropriate 1099s and W-2s had been correctly filed with the IRS. Dan's main concern is that Steve W. did not receive a 1099 in 2017. The clubhouse chairperson had not received 1099s, and this was corrected in 2018 and Steve W. did receive a 1099 for 2018 and 2019 and will continue to receive one each year going forward. Linda provided the 1096 and W-3 forms from 2019 (the most recent that were available) that showed the number of W-2s and 1099s including the total dollar amount that our payroll company had submitted. Linda said that Dan was offered a list of employees who were issued 1099s and W-2s in 2017 and 2018 instead of the actual W-2s and 1099s but Dan said no. Dan was asked to explain why he needed the W-2s, which are mostly for life guards and swim lesson instructors. He would not provide a reason. Chris had said that providing the W-2s and 1099s (SSN and TIN redacted) without a valid business reason would violate the ethics requirement of her CPA license and she would resign as treasurer instead of providing the forms to Dan. Dan was asked if he still wanted the forms and he said yes. Linda read Chris' notice of resignation (below) and gave it to Shirley to be included in the minutes.

Dan Black has requested copies of W-2's and 1099's through our attorney. He has not provided a valid business purpose for this request. As treasurer, I have a duty to protect the confidentiality of the personal information of our employees and contractors. In addition, my CPA license has an ethics requirement. Providing the W-2's and 1099's without a valid business purpose violates this ethical requirement and would jeopardize my CPA license. Therefore, I am resigning as treasurer effective immediately. I am going to remain a member of the Carefree Club board.

Chris Cummins

- A motion was made by Linda, seconded by Erich; that even though Dan may be able to get copies of our employees W-2's and 1099's, this is not being done in good faith since Dan has not provided an appropriate business reason to do so, and that this is an abuse of power as a board member. Vote was by secret ballot.

Yes: 8

No: 1

Motion passes

- Motion made to adjourn by Linda; seconded by Erich at 7:30pm

Yes: Linda, Steve S., Steve W., Shirley, Sandra, Jess, Erich, Naomi

No: Dan

Motion passes