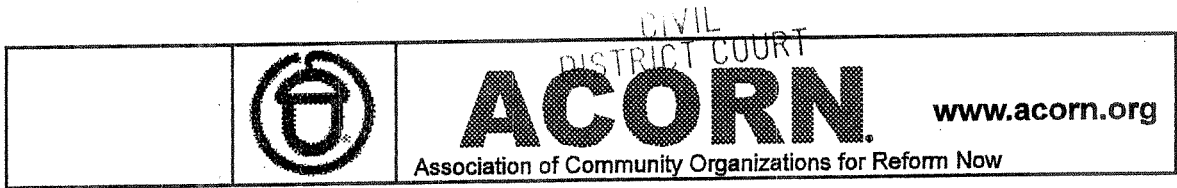


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ACORN ASSOCIATION BOARD  
DETROIT, MICHIGAN

JUNE 20, 2008

Meeting called to order at 6:25pm by ACORN President Maude Hurd. Maud explained that only duly elected delegates were to remain in the room. Fannie Brown, California (no longer a board delegate) refused to leave the room. Maude welcomed the board and invited guests (members of ISM Committee): Zach Pollet, Helene O'Brien and Steve Kest; also Beth Kingsley, Attorney.

Maud then reviewed the Agenda; read statement from the Executive Committee and gave ground rules for the meeting. Each state delegate has one minute for questions. States to make statements in alphabetical order. States present: Arizona, Arkansas, California, Connecticut, Delaware, Kansas, Maryland, Michigan, Minnesota, Missouri, Mississippi, New Mexico, North Carolina, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Washington and D.C. Each state made comments.

**1. Updates and Presentations**

**A. Beth Kingsley, Legal: Harmon, Curran Spielberg and Eisenbly**

Report: Should hear from General Counsel fairly regularly. States there are at least 100 separate corporations within ACORN and that corporate relationships should be re-examined and regularized. (See Summary Report.) Question and Answer session followed presentation. ACORN General Counsel came in per request of Beth Kingsley to answer questions from the board regarding the misappropriation of funds 1999-2000 by Dale Rathke.

**B. Needmore Foundation meeting report: Paul Satriano and Steve Kest**

Paul reported on financial reporting and control (see memo). Stated Needmore seemed receptive. Steve is primary contact for all foundations as Executive Director. Stated all grants suspended by Needmore when they heard of embezzlement which occurred 1999-2000. Agreed with what the Board had already done; fired Dale Rathke and Wade no longer Chief Organizer and what his connection with ACORN will be. Has also talked to 30 other foundations. Some have still processed grants for ACORN; most taking a "wait and see" attitude and some have stated that they're very disappointed. CHHD (stated that board take steps to recognize the gravity of what has happened). CHHD holding on sending out letters to offices that were to receive funds.

Questions asked of the Staff Management Council that was in place in 2000: Steve Kest, Helene O'Brien and Zach Polett.

9:25pm—Dinner Break—

C. Professional Consultants: Steve Kest and Bertha Lewis

- Public Relations: Rubenstein PR
- Financial Systems: Mesirow Financial Consulting
- Legal Counsel: Sidley, Austin LLP (pro bono) has criminal law experience

These agencies will report to Interim Staff Management Committee.

~ D. Interim Staff Management Committee(ISM Committee)- doing work of day to day operations of this organization. ISM Committee will be in place until next regular Board meeting (October 2008).

Board will elect 3 members tonight to serve on ISM Committee and will have the responsibility of reporting to the Board once a month.

Board to meet with other 7 members of ISM Committee tomorrow (Sat. June 21) at 10:30 am. Lengthy discussion ensued.

2. Selection of 3 Board Members to work with Interim Staff Management Committee; Chaired by Toni McElroy and Paul Satriano. Nominees from the floor as follows:

- Legal: Dathan-Or.; Mary Hutchins, Mo.; Karen Inman, Minn.
- Financial: Carol Hemingway, Pa. and Alicia Gaddis, Ca.
- Organizational Structure: Hugh Alleyman, Del.; Marcell Reid, D.C.; Gloria, Md. And Stephanie, R.I.

++ A paper ballot vote was taken (vote results to be disclosed at end of meeting).

3. Meeting with Wade-11:00pm- John Jones, Facilitator gave ground rules.

Wade greeted everyone and stated that he had worked for this Board since 1976 when ACORN Board organized in Arkansas. Has been with ACORN(which he founded in 1970) 38 years; celebrated anniversary on Wednesday June 18, 2008. He then explained the situation with Dale. Stated he never misused funds and that this wasn't a coverup. Presented a power point on attacks this organization has endured. Quote "An accusation alone doesn't mean it's fact". Stated he made the decision to step aside after someone went to funders. Spoke on the growth of the organization. He wanted to keep the organization safe. Stated he would like to be in the "Emeritus" position and felt he could play a role in the organization as: Trainer, Negotiator, Disaster Recovery & Emergency Preparedness, New Programs & Funds Development, Senior Professional Status or Advisor & Resource person. He also stated that one can always look back

in hindsight and see where things could have been handled differently, but that he and the Staff Management Council thought that was a reasonable decision at that time.

Questions and answers concluded at 11:55pm.

\*\*Motion by Karen Inman, Mn. (read a preprinted motion) "That Wade Rathke shall immediately and permanently be terminated from all employment with ACORN and its affiliated organizations or corporations. Further more, Mr. Rathke should be removed from all boards & any leadership roles with ACORN or its affiliated organizations or corporations". Motion seconded by Emily, Connecticut ACORN. A vote was taken by paper ballot; 2 per states represented. Results: 29-yes; 14-no; 1 abstain.\*\*

Results of vote for the 3 Board members to be part of ISM Committee:  
Legal- **Karen Inman**; Finance-**Carol Hemingway**; Organizational Structure- **Marcel Reid**.

Meeting adjourned.  
Submitted by Maxine Nelson, Secretary