

THE DELTA CHI FRATERNITY, INC.  
MINUTES  
BOARD OF REGENTS MEETING  
NOVEMBER 24, 2020

The video conference call meeting of the Board of Regents of The Delta Chi Fraternity, Inc. was called to order by Aaron Otto, “AA”, at 8:02 p.m. EDT on November 24, 2020.

The following members of the Board were present: Aaron Otto, “AA”; Tom Carroll, “CC”; Ronald Martin, “DD”; Miles Washburn, Retiring “AA”; Shaun Hollenbeck, Regent, Region I; Josh Klein, Regent, Region II; Grant Herrin, Regent, Region III; Mark Sexton, Regent, Region IV; Max Harper, Regent, Region V; Suraj Maraboyina, Regent, Region VI; Jack Rodican, Regent, Region VII; Ben Dundas, Regent, Region VIII.

Board Member Absent: Gene Dorris, Regent, Region IX

Also present at the meeting: Jerod Breit, Executive Director; David Gault, Legal Advisor; Donald La Plante, Parliamentarian.

Staff members present: James Ratliff, Director of Finance

Guests Present: Doug Hasler and Annmarie Novotney, Blue & Co.

Fraternity Members Present: Steve Bossart, Justin Donnelly, John Farris, Eric Stice

1. MINUTES—It was moved by Washburn, seconded by Rodican and the motion carried unanimously to approve the minutes of the Board of Regents meeting of October 20, 2020.
2. EXECUTIVE DIRECTOR REPORT—Brother Breit provided an update on recent activities:
  - “A”s’ Academy is in the planning stage. It will be conducted virtually.
  - Board members were reminded that staff needs dates for the Regional Leadership Conferences to facilitate the planning process.
  - Staff is in the process of making transition calls to newly-elected “A”s.
  - The Fraternity is in the second year of its commitment to the Fraternity Sorority Action Fund. The fund has been active in several court cases, including one involving Harvard University.
3. AUDIT—Brother Breit and Brother Martin reviewed the progress of the audit and answered questions.
4. PRESENTATION BY AUDITORS—Douglas Hasler and Annemarie Novotney of Blue & Co. reviewed the draft audit with the Board. They noted that the audit is not yet complete because the audit of the Barrister Capital Corporation is not yet complete, as Blue & Co. finds that it is a related entity, in that the Delta Chi Fraternity elects the Board of Barrister Capital Corporation and also has an economic interest, in that upon dissolution any remaining assets of the corporation would go to The Delta Chi Fraternity.
5. AUDITORS LEAVE CALL—Representatives from Blue & Co. left the call at 8:45 p.m.
6. 990’s—In response to a question, Brother Breit noted that the issue does not impact the IRS Form 990’s since each is a separate corporation.

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7. BARRISTER CAPITAL CORPORATION—Brother Bossart, a member of the Board of Directors of the Barrister Capital Corporation, reported that the Board had met a few days previous and amended the By-Laws to provide for The Delta Chi Educational Foundation to replace The Delta Chi Fraternity as the recipient of any remaining assets of the corporation should it dissolve.
8. CLOSED SESSION—The Board of Regents went into closed session at 8:48 p.m. to discuss potential litigation with the Legal Advisor/General Counsel.
9. RETURN FROM CLOSED SESSION—The Board of Regents returned from closed session at 9:44 p.m. with no action to report.
10. NEXT MEETING—The next meeting of the Board of Regents will be a video conference call on Tuesday, December 15, 2020 at 8 p.m. EST.
11. ADJOURNMENT—The “AA” adjourned the meeting at 9:53 p.m. EDT.

Respectfully submitted,  
Tom Carroll, “CC”

Prepared by:  
Donald E. LaPlante, Parliamentarian

APPROVED \_\_\_\_\_

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RESOLUTION—As approved in Minutes Item 8

WHEREAS, the Board of Regents approved parameters for the purchase of a headquarters building in Indianapolis on March 12, 2019, and;

WHEREAS, these parameters included a purchase price not to exceed \$1,900,000, and approved the use of \$750,000 from the New Headquarters Reserve Fund and a transfer of funds from the Housing Fund of up to \$1,200,000, and recapitalization of the Housing Fund with the proceeds of the sale of the Iowa City property, resulting in “a long term loan from the Housing Fund of \$900,000 to \$950,000.”

WHEREAS the purchase price of the Indianapolis Headquarters Building was \$1,392, 165.00. \$392,265.00 was transferred to the Housing Fund on June 30, 2020. The Iowa City property recently sold for \$350,000. The net gain on sale of the asset of \$301,020.77 will be transferred to the Housing Fund, leaving \$698,979.23 to be recapitalized to the Housing Fund.

WHEREAS, Martlet, Inc. is the record title holder of the Indianapolis property, and the Fraternity currently pays rent to Martlet, Inc. of \$11,000 per month.

WHEREAS, Martlet, Inc. is a holding company under IRS Code §501(c)2. As such its sole purpose is to hold title to property, collect income therefrom, and turn over the entire amount, less expenses, to the Fraternity at the end of each year.

WHEREAS, it is the intent of the Board that no less than \$18,000.00 and up to \$36,000(formerly reserved in the New HQ Reserve) will be transferred to the Housing Fund each year until the amount of \$698,979.23 is recapitalized, and;

WHEREAS, the Executive Director, with the approval of the Executive Committee, shall have the discretion in any year to reduce the amount transferred to the Housing Fund if he determines that the funds are needed for Fraternity operations, or increase the amount if there is a surplus.

NOW THEREFORE, in consideration of the following, the Board of Regents does resolve as follows:

1. The proceeds of the sale of the property at 314 Church St., Iowa City, Iowa, minus depreciation, shall be transferred to the Housing Fund. It is anticipated that this amount shall be approximately \$301,020.77.
2. Subject to the provisions of Paragraph 3, no less than \$18,000.00 and up to \$36,000 will be transferred annually to the Housing Fund, until the amount of \$698,979.23 is recapitalized.
3. With the approval of the Executive Committee, the Executive Director shall have the authority to reduce the amount paid from the General Fund to the Housing Fund pursuant to Paragraph 2, to cover Fraternity operating expenses.

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REVISED BUDGET—As approved in Minutes Item 10

<b>INCOME</b>	
Associate Member Dues	163,800.00
Initiation Dues	304,425.00
Membership Dues	426,868.00
Risk Management Assessment	722,325.00
RMA Programming	250,000.00
Foundation Grants	43,000.00
Foundation Office Exp	-
Supply Sales	87,400.00
Grant Income from Martlet	133,500.00
Inv Income-GF	140,000.00
Other	76,400.00
	<b>2,347,718.00</b>

<b>EXPENSES</b>	
Fraternity Operations	292,093.00
Programming	27,000.00
Headquarters	396,675.00
Risk Management Expenses	747,325.00
Salaries & Benefits	1,078,500.00
Depreciation	16,125.00
Overhead	(60,000.00)
Reserve Expense Accounts	-
	<b>\$ 2,497,718.00</b>

**\$ (150,000.00)**

<b>CHANGE IN RESERVES</b>	<b>Updated Budget</b>
GENERAL FUND RESERVE	(25,000.00)
RISK MANAGEMENT RESERVE	(25,000.00)
STRATEGIC PLANNING RESERVE	(100,000.00)
<b>TOTAL</b>	<b>(150,000.00)</b>