

FEED THE CHILDREN, INC.
BOARD OF DIRECTORS MEETING
October 2, 2008

The Board of Directors of Feed The Children, Inc. met on Thursday, October 2, 2008 at 5:00 p.m. in the corporate office at 333 N. Meridian, Oklahoma City, OK.

Present: Mr. Dwight Powers, Chairman
 Mr. George Stevens, Treasurer
 Mr. Rick England
 Mr. Dan Mugg
 Dr. Larry Jones, President
 Ms. Linda Schluchter
 Dr. C. Earnest Wyatt

Absent Mr. Leo Fundaro, Jr.

In Attendance: Miss Larri Sue Jones, V.P. & General Counsel
 Mr. Travis Arnold, C.O.O.
 Ms. Christy Tharp, C.F.O.
 Mr. Mark Weimer, outside legal counsel
 Mr. Mike Vergo, McGladrey Pullen LLP
 Ms. Terri Burdine – RSM McGladrey
 Mr. Dave Moja, RSM McGladrey

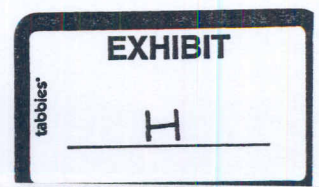
QUORUM

Mr. Dwight Powers, Chairman, stated that the Directors were present, noted that a quorum was present and declared the meeting to be open for the transaction of business.

BUSINESS TRANSACTED

- I. Minutes of the August 1, 2008 Board Meeting were presented for approval. Motion was made by Mr. Rick England and seconded by Mr. Dan Mugg to approve the minutes as presented. Motion carried unanimously.

- II. Motion was made by Mrs. Linda Schluchter to restore Mr. George Stevens to voting status as a board member. Dr. Larry Jones stated that it would trigger "all kinds of red flags" and was opposed to the motion. Mr. Dave Moja stated that from the tax perspective, it would be a matter of state law and the by-laws of the corporation. Motion was then made by Dr. Larry Jones and seconded by Mr. Rick England to research Oklahoma law and review the by-laws to determine the number of directors/paid staff members that would be allowed.



Motion carried unanimously.

- III. Mr. Mike Vergo of McGladrey & Pullen, LLP, then gave a brief preliminary audit report.

Dr. Larry Jones then recused himself and left the meeting and Mr. Vergo then gave a report regarding the Elkhart situation and advised the Board to have a current valuation appraisal done of the property. Motion was then made by Mr. Rick England and seconded by Mr. Dwight Powers to have the original appraisal updated, if practicable, by the same company. Mr. Travis Arnold stated that in addition to the original company, he would also get two other bids. Motion carried unanimously.

Ms. Larri Sue Jones then notified the Board that there was a proposal from Mr. Jack Schoenthaler to lease/purchase the building for \$1.00. The Directors unanimously agreed that no offers would be entertained until the appraisal had been done.

Ms. Terri Burdine stated that Mr. Allen Jones had paid the invoice that had been submitted for the garage door and electrical work performed at his home.

Mr. Dave Moja then presented the information regarding Mr. Allen Jones and the space(s) within the Elkhart facility that were utilized for personal use without a lease. The amount of lease space had been determined (see attached) and the amount due is \$12,705 plus 4% interest. Mr. Moja stated that an informational letter should be sent to Mr. Allen Jones explaining the calculations and space(s) occupied. Unless Mr. Allen Jones disagreed and had evidence to the contrary of spaces occupied, an invoice should follow within thirty days. If there was a disagreement, the space(s) occupied should be reviewed and any contrary evidence submitted should be evaluated. Final calculations should then be invoiced. Motion was made by Mr. Dan Mugg and seconded by Mr. Rick England to carry out the instructions of Mr. Moja. Motion carried unanimously.

Mr. Vergo then stated that he had asked Dr. Larry Jones to quantify the mebendazole and abendazole transactions into Memorandums of Understandings and Letter Agreements. As these transactions had not/have not been presented to the Executive Finance Committee, the Board wanted to know exactly what was going on. When it became evident that the Board was unaware of these transactions and how they are structured, Mrs. Linda Schluchter asked that the auditors and legal counsels remove themselves from the meeting. Those parties left the room and went to the break room. At this point, Miss Jones suspended taking the Minutes of the Meeting as she was not present.

Approximately one hour later, the auditors, legal counsels and Dr. Larry Jones rejoined the Meeting.

At this point, Mr. Dave Moja apprised Dr. Jones of the Form 990 issues surrounding Mr. Allen Jones and what had been determined earlier in the meeting.

Ms. Terri Burdine then stated that the Directors and Officers who were on the international bank accounts of FTC should have been filing a special form with their personal income tax returns. As no one had informed the directors and officers of this requirement, RSM McGladrey would be reviewing this, and preparing the forms to correct this situation.

- IV. Mr. Dave Moja then presented the Executive Compensation Study (attached) and went through the protocols and procedures of the study.

Dr. Larry Jones then asked the auditors, the staff, and outside counsel to leave the room. Mrs. Linda Schluchter asked that outside counsel be allowed to stay. Dr. Jones did not allow that to happen. Mrs. Frances Jones then joined the meeting.. Ms. Jones stopped taking the Minutes as she was no longer in the Meeting.

At approximately nine o'clock, the Directors were walking up the hallway and Dr. Jones stated that the meeting was finished.

Respectfully submitted,

Ms. Larri Sue Jones, V.P & General Counsel

Mr. Dwight Powers, Chairman