

FEED THE CHILDREN, INC.

LIST OF BOARD RESOLUTIONS AND FOLLOWUP ACTIONS

MEETINGS MAY 16, 2008 THROUGH OCTOBER 24, 2008

1. Larry Jones Recusal from Elkhart and Allen Jones Matters *(May 16, 2008 Mtg.)*
 - a. Larry continued to inquire as to the status of the Elkhart investigation during the whole time that Jerry McCarley was performing it.
 - b. Larry threatened Jerry's job at one point for not briefing him on the results of the investigation prior to a Board Meeting report that Jerry was called in to give.
 - c. Larry was only contact between FTC and Allen Jones after a certain point in the investigation.
 - d. Larry engineered the pick-up of Allen's belongings here at the OKC location.
 - e. Larry brought in Allen's check for the garage door and electrical work, and because of an alleged missing computer of Allen's and because Allen never charged FTC for any work he did while in Elkhart, Larry continues to lobby for an offset to the warehouse rent that the Board wants assessed to Allen.
 - f. Larry has since put forth a short Memorandum of Understanding from Jack Schoenthaler in Elkhart proposing to take over the leasing out of space in the warehouse facility until October 2009, then to purchase the building for a dollar.
 - i. No action taken pending an appraisal of the Elkhart facility currently underway.

2. No Executive Officer Shall Have Sole Authority to enter into Third Party Agreements *(June 30, 2008 Meeting)*
 - a. Several recent agreements of material sums have been entered into by Larry
 - i. Lee Janzen contract was signed in altered form from that which the Board had previously approved. Larry had signed it and sent it back.
 - ii. Synergy Contract in September included no PCI compliance by the vendor, and was engineered and managed by a third party vendor (Stratmark). This was never reviewed by the Executive Finance Committee
 1. This resulted in two Hotline complaints to reach the Internal Auditor

EXHIBIT

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- iii. AMP Contract in September was not in conformance with FTC's General Counsel comments, but Rick Ross was forced by Larry to sign anyway. Rick went on record as disapproving having to sign this contract without the General Counsel's or the Finance Committee's approval.
 - iv. Team Impact Agreement appears to have been drafted in April 2008, but Larry originally had said there was no contract. Later, one was produced requiring FTC to pay \$140,000 per month for one year from April 2008. No one had reviewed this agreement prior to inception.
 - v. Against General Counsel's advice, Larry renegotiated and signed an indemnification agreement for the Louisiana family's house that held the Fundraiser near New Orleans in August.
- b. Prior Single Person Commitments
- i. Purchase of Elkhart Facility for one dollar from Bayer
 - ii. Decision to install call center in Elkhart; decision to remove call center from Elkhart, at a litigation cost of \$1.6 million.
 - iii. Purchase of Houston Warehouse
 - iv. Hiring of Dr. Claude Thomas to start new area of the ministry
 - 1. No background check made prior to Larry's commitment to hire him
 - 2. Many skeletons in Dr. Thomas' past at Eulis, Tx church.

3. Detailed Review of All Contracts, both Written and Oral, is Required *(June 30, 2008 Meeting)*

- a. As of this date, the Executive Finance Committee has not met to carry out this request.
- b. Larry has not come forth with any explanation of our agreements with Stratmark or Affiliated Media Group.
- c. Furthermore, no one has been notified with whom we are currently doing business since Affiliated sold part of their operations.
- d. We think it is Cross Media, but no representatives have come to our offices.
- e. Stratmark has not been thoroughly analyzed for its services and cost to us, and a problem just surfaced regarding mail solicitation in North Carolina.

- f. The Website needs much more thorough oversight than it is currently receiving since Larry removed Larri Sue from that function.

4. Executive Human Resources Committee Formed *(June 30 2008 Meeting)*

a. Duty to Review all Hiring of Executive Level Employees

- i. Since this resolution, there has been a major issue arise over replacing the FTC person overseeing our Malawi office. Travis Arnold and Larri Sue Jones wanted to wait on hiring a replacement until our legal status there became known, but Rachel Zeion here at FTC pushed Larry to hire Jim Campbell and Larry has insisted on it, commenting that the HR Committee could meet all they want but at the end of the day, Larry wanted Campbell hired.
- ii. Larri Sue Jones was later castigated by Larry for not expediting an employment contract for Jim Campbell, stating to Richard Gray and George Stevens that if Larri Sue were not his daughter, he would already have fired her for delaying the contract.

5. Thorough Review of Present FTC International Operations Mandated *(June 30, 2008 Meeting)*

- a. International CFO Mervyn Fernandes has been making a great effort to get information out of Ian Harris in Africa and Peter McNichol in Thailand regarding their operations. An audit of the Thailand office is currently about to get underway by our outside auditors RSM McGladrey.
- b. No other detailed review of International Operations has been made to this point, although Mervyn has generated a summary of each country's activity as a starting point for further investigation.

6. No Further International Offices to be Opened without Adequate Assessment of Need and Approval from General Counsel *(June 30, 2008 Meeting)*

- a. Bolivian Office was prevented from opening, although some expense was incurred.
- b. No other international Offices have been opened since this resolution.

7. Drafting of Annual Budget was Directed *(June 30, 2008 Meeting)*

- b. All such complaints are followed up on by the Director of Internal Auditing, and major complaints involving Executive staff can then be reported to the Chairman of the Audit Committee of the Board of Directors if deemed necessary.
- c. We are currently awaiting HR materials and posters to be put up in the Break Room and other places around the Office and Warehouses as reminders to the employees that they have this relief available to them.

13. Establishment of Parameters and Policies for Each New Committee Established (June 30, 2008 Meeting)

- a. These have since been established for the Executive Finance Committee and for the Executive Hiring Committee.
- b. Since the Ad Hoc Committee to study the Organizational Structure has not yet been formed, correspondingly no parameters have been set as of this date.

14. Review of Dr. Thomas's Background was Mandated (August 1, 2008 Meeting)

- a. Dr. Thomas was interviewed by the Executive staff, and was placed under the administrative controls of Richard Gray, VP of Human Resources.

15. Team Impact to be Notified of Possible December 31st Ending of our Agreement (August 1, 2008 Meeting)

- a. Letter went out in mid-November warning them that the Board would decide in our December meeting whether to continue the contract after the first of the year.

16. All International Operations to be Placed Under the International CFO (August 1, 2008 meeting)

- a. Constant conflict in this area with Larry due to Rachel Zeion somewhat refusing to recognize Mervyn Fernandes' authority, and going straight to Larry with requests.
- b. Mervyn has been diligent in staying after Ian Harris and his empire regarding trying to get operational data out of him.

17. Larry was Instructed to Put Lee Janzen Fund Raising Promises in Writing, as well as adding a One-year Termination Provision to the Agreement (*August 1, 2008 Meeting*)

a. Instead, a modified version went out with a 2 ½ year escape clause on FTC's behalf.

18. No Further International Offices to be Opened until later Approval by Board (*August 22, 2008 Meeting*)

a. None have been opened since this resolution.

19. Motion to Have Appraisal Performed on Elkhart Warehouse (*October 2, 2008 Meeting*)

a. This is currently in progress

20. Motion to Send Allen Jones Letter Outlining Proposed Rent Charge (*October 2, 2008 Meeting*)

a. Letter sent October 20, 2008 giving Allen 30 days to respond and refute the charge

b. No reply has been received as of this date