

FEED THE CHILDREN, INC.
BOARD OF DIRECTORS MEETING
April 11, 2008

The Board of Directors of Feed The Children, Inc. met on Friday, April 11, 2008 at 9:00 a.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

By Phone: Ms. Linda Schluchter
Mr. Leo Fundaro, Jr.

Absent: Dr. Larry Jones, President
Dr. C. Earnest Wyatt

In Attendance: Miss Larri Sue Jones, V.P. & General Counsel
Mrs. Christy Tharp, C.F.O.
Mr. Travis Arnold, C.O.O.

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 November 30, 2007 Board Meeting were presented for approval. Motion was made by Mr. Dan Mugg and seconded by Mr. George Stevens to approve minutes as presented. Motion passed unanimously.
- II. Election of Directors: The following Directors were elected for a term of three years: Dr. Earnest Wyatt; Mr. Dan Mugg; Mrs. Linda Schluchter. Motion made by Mr. Rick England and seconded by Mr. George Stevens. Motion carried unanimously.

EXHIBIT

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III. Appointment of Officers: The following motion was made by Mr. Rick England and seconded by Mr. Dan Mugg to appoint the following officers:

Chairman: Mr. Dwight Powers
President: Dr. Larry Jones
Vice President and General Counsel: Larri Sue Jones
Secretary and Executive Vice President: Frances Jones
Treasurer: Mr. George Stevens
Motion carried unanimously.

IV. 2007 McGladrey Pullen LLP Management Letter.

A. Significant Discussion was had regarding the material weaknesses stated in the Management Letter:

Contributions Receivable

Recording pledges when promised, not when received.

Segregation of Incompatible Duties

Having spouses in control of intra-active departments.

Gift-In-Kind ("GIK") Valuation Methodology

RSM McGladrey Consulting Project.

Formal Documentation of Processes

RSM McGladrey Consulting Project.

Elkhart, Indiana Facility

See below.

Donor Restrictions of GIK

Vertrue pharmacy card situation.

GIK Deficiencies Identified by the Consulting Group

Consulting Group has not done their formal presentation.

Particular discussion was had regarding the Elkhart, Indiana facility and the following resolution was passed unanimously:

Discussion was had regarding the Indiana facility and Allen Jones' involvement and as a representative of Feed The Children in Indiana. During the discussion it was disclosed that Allen had been diagnosed as bi-polar. The Board is concerned that Allen's behavior has become more destructive toward Feed The Children and its employees. Allen is not an employee, though has a company credit card and holds himself out as being involved with Feed The Children by using offices, storage space and operates company equipment and vehicles. Due to the activities disclosed by the audit and with the recent headlines regarding family members of religious and charitable organizations, the Board feels that it is time to set forth strict parameters regarding Allen's

future relationship to Feed The Children, as well as to set forth processes, procedures and controls for the positions held by members of the Jones family. The Board feels it is time to define the parameters of the positions, not the fact that a family member holds a particular position.

While the Board is sensitive to the dynamics of the Jones family's relationship to Feed The Children, its role is to govern the organization. Since Allen's issues and behaviors are directly affecting the employees and assets of Feed The Children, the Board has determined that Allen should be treated like any other former employee. Steps will need to be taken to carry out this directive.

Mr. Powers and Mr. Stevens will arrange a meeting with Dr. Jones in the next few weeks to discuss this matter and take appropriate actions.

B. Discussion was had regarding control deficiencies stated in the Management Letter:

- Board Governance and Involvement
- Budget, Planning, and Oversight
- Monthly Soft Closes and Quarterly Hard Closes
- Contributed Professional Services
- International Affiliated Organizations
- Physical Inventory of Fixed Assets
- Fixed Asset Capitalization Policy
- GIK Process Improvements

C. Other issues in the Management Letter were also discussed:

- Management Team Evolution and Succession Plan
- Bidding Process for Significant Agreements
- Temporarily Restricted Net Assets Held for the ABC Center
- IT Systems Upgrade
- Interdepartmental Communication
- Lifestyle Audits

After lengthy discussion, motion was made by Mr. Leo Fundaro, Jr. and seconded by Mr. Dan Mugg to approve Management's Responses to the Management Letter. Motion carried unanimously.

V. Fee dispute with McGladrey Pullen LLP.

Mr. Arnold and Mrs. Tharp stated that there was a fee dispute with McGladrey Pullen, LLP, when their invoice was almost double the engagement letter parameters. Significant discussion was had regarding the complete failure of McGladrey Pullen LLP to notify and disclose to anyone at FTC that the budget had been exceeded. Further, at no time was anyone notified of the overage until the initial invoice was received. Significant discussion was had regarding the overage and the alleged reasons for such overage. Discussion was had regarding the auditing process and auditing firms in general. Miss Jones stated that the corporation had agreed to pay \$467,000.00 for the audit, which would leave a \$300,000.00 write-off for the audit firm.

Motion was made by Mr. Rick England and seconded by Mr. George Stevens that if McGladrey Pullen LLP did not accept the \$467,000.00 as FTC's final offer, then the McGladrey Pullen LLP management would need to appear before the FTC Board of Directors. Motion passed unanimously.

VI. Introduction of Senior Management Staff.

The following senior management staff were then invited to attend the Board meeting where they were introduced and described their positions.

Mr. Rick Ross, V.P. Donor Relations
Mr. Jerrald Buchanan, V.P. Information Services
Mr. Richard Gray, V.P. Human Resources
Mr. Pete Sosenko
Mrs. Dee Robertson
Mrs. Tawnja Gray
Mr. Gary Sloan
Mr. Gary Young
Mr. Mervyn Fernandes
Mr. Greg Garen
Mr. Chris Splitt
Mr. John Richman
Mr. Jerry McCarley

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OTHER BUSINESS

The next board meeting will be in June, 2008, prior to fiscal year end.
The Directors will be notified.

ADJOURNMENT

Having no further business to bring before the Board, motion was made by Mrs. Linda Schluchter and seconded by Mr. Dan Mugg to adjourn the meeting. Motion passed unanimously.

Respectively submitted,

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