

Parlin-Ingersoll Public Library Board of Trustees

Minutes for January 15, 2014 Meeting Closed Session

A.) Call to Order:

Present: Pat Carter, Chris Duvendack, Jim Elson, Ralph Froehling, Brad O'Brien, Michelle Quinones, Charlotte Van Sickle, and Keely Vollmar.

Absent: Kim Freiley

At approximately 4:10 p.m. the board went into closed session.

Approved Motion: The board voted unanimously to go into closed session per 5 ILCS 120/2c11 for reasons of possible impending litigation. (Motion: Mr. Elson; Second: Mrs. Van Sickle).

Mr. O'Brien summarized the discussions at the Finance Committee meeting at Graham Hospital on January 14, 2014. He found the meeting gave him a sense of the flow of procedure. Mr. Watkins, after consulting with financial analyst, Craig McCann, will determine if the beneficiaries have a possible case. If so, it may mean negotiation, resignation, or a lawsuit.

Mr. Froehling mentioned that Mr. Watkins scared the beneficiaries when he mentioned that further litigation could cost \$500,000 or more. At this time Mr. Froehling did not see us spending that much. Mr. Elson agreed. However, Mr. Elson noted that if you raise a case, there is a reaction on the other side to get rid of it quickly for public relations reasons. Since JPM has many other issues at this time, they might be willing to settle a smaller one like ours.

Mr. Carter mentioned that Mr. Watkins said a case could drag on for years. Mr. Elson also mentioned a change of venue and other costs.

Mr. Carter mentioned contacting a legislator to come up with a bill to allow organizations with a transferred trust to be allowed to bring those monies back closer to home. He thought the time to pass a bill may be shorter than the length of a lawsuit.

Mr. Froehling shared his discussion earlier in the day with Mr. Watkins. He shared the hospital and school board decision to pay 25% each. In order to simplify matters Mr. Watkins may bill the library for his total costs, and the library in turn could bill the hospital and school district their respective shares. Mr. Froehling thought we should share our findings with both the YMCA and the Canton Park District. Both are recipients of the W.P. Trust but offered to contribute funds to our cause believing the work on the Charles D. Ingersoll Trust might benefit their cause as well.

Mr. Froehling felt Mr. Watkins was only interested in working on a contingency basis if the settlement looked large, and the likelihood of that was remote. Mr. Watkins does not want to work on a contingency basis at all for the W.P. beneficiaries. They would have to get together to retain Mr. Watson or other counsel on their own.

JPM could use the excuse that their diversification into more alternative funds actually saved the trust money when the market dropped in 2008-2009.

Mr. O'Brien commented that the facts may show enough poor judgment on the part of JPM to make room for negotiation but not a lawsuit.

Mr. Froehling mentioned that after his preliminary read Mr. McCann might want more information from JPM. On January 30th Mr. Froehling suggested asking JPM the following:
--what research sources they referred to that led them to a different allocation of funds
--why are there so many JPM funds
--why are there still so many hedge funds, structured notes, and buffered notes

The Board asked Mrs. Bunner to confirm the meeting on January 30th with Ms. Rahn of JPM.

At approximately 4:30 p.m. the board returned to open session.

Approved Motion: The board voted unanimously to return to open session. (Motion: Mr. Elson; Second: Mr. O'Brien)

Attest: _____
Secretary

Date: _____