

**ALPHA GAMMA SIGMA BOARD OF TRUSTEES
SPRING MEETING MINUTES**

April 17th, 2015

DoubleTree Hotel, Ontario, California

- 1. Call to Order:** President Obed Vazquez from Diablo Valley College called the meeting to order at 4:15 PM. We started earlier than in the past so that we would have more time before scholarship readers had to go to a meeting to decide the recipients at 6 PM.
- 2. Approval of Agenda:** The agenda was approved with no additions.
- 3. Introductions of Trustees:** Lisa Carlsen, Teri Curtis, Jacqueline Faris, Erik Fritz, Terry Green, Jennifer McBride, Rowena Mendoza, Randy Taylor, Obed Vazquez, and Steve Wallech introduced themselves. The student trustee from the South, Bryce McGuire from Santa Monica College, introduced himself. The student trustee from the North, Jamie Atchinson from Las Positas College, introduced herself. David Sharpe, our financial advisor for our portfolio introduced himself. Teri Curtis announced she would be resigning but hoped to return to the Board of Trustees sometime in the future. Randy Taylor announced he would be resigning. Chris Gilbert, Tina Golaw, Chirs Kox, and Toni Yoshioka, were suggested as possible replacements for Teri Curis and Randy Taylor.
- 4. Approval of Minutes of October 4, 2014:** The minutes were approved.
- 5. Announcements:** Jacqueline Faris told us that Tom and Marie Jackson would be attending the banquet on Saturday night. Tom, a past president of the Board of Trustees, was a promoter of advisors giving money for scholarships and bequeathing money in their wills to increase our endowment fund. He would write a check for our endowment fund and then ask State Advisory Board members to chip in as well. We agreed

that we should continue Tom's efforts to grow the endowment fund. We agreed to have a line item on the dues bills where advisors could send in separate personal checks from to \$1 to \$100 that would go directly to the endowment fund as a tax-deductible donation. We agreed we should also express to our advisors at the State Advisory Board meeting that they consider revising their wills and trusts to include a donation to our endowment fund. Obed Vazquez told us that he would talk about these issues at the SAB meeting tomorrow.

Jacqueline told us she would videotape Tom tomorrow as she wants to create a history of our organization by taping advisors who have served the organization for decades. She told us that she envisioned having the videos on our website. She envisioned collecting still pictures of past leaders that might be included in slide shows that could be shown in the background during convention meals. Our organization has not really kept much of a history of itself so Jacqueline's suggestions were well received by the trustees.

We were told that former Board of Trustee Member, Ron Yoshino, was very ill and would not be able to attend the banquet tomorrow to receive his Distinguished Advisor Award. He is currently undergoing chemotherapy and is at home and not answering calls. Surekha Acharya will bring the award to him after the convention.

6. Treasurer's Report:

AGS Consolidated Report	Year: 2014 Jan 1st to December 31 st	with an added mini- report					
			Jan-31-14	Feb-28-14	Mar-31-14	Apr-30-14	May-31-14
Cash Equivalents			13,455.79	13,455.79	13,455.90	8,455.98	8,456.05
Net Portfolio Assest held at Stifel			45,904.86	47,569.19	48,402.88	48,509.61	49,407.82
Sub-Total			59,360.55	61,024.98	61,858.78	56,965.59	57,863.87
Lincoln Financial Group			495,619.88	515,145.39	508,982.36	510,619.14	523,468.97
Net Portfolio Value			554,980.43	576,159.37	570,841.14	567,584.73	581,332.84
Net Gains and losses			-11,586.52	21,178.94	-5,318.23	-3,256.41	13,748.11
Cash Equivalent gains and losses				0.10	0.11	-5,000.00	0.07
Net Portfolio gains and losses				1,664.33	833.69	106.73	898.21
Lincoln Financial Group Gains and Losses				19,514.51	6,152.03	1,646.78	12,849.83

Yearly Net Income 2001	Gains and losses	12,159.72	Lincoln Fund
Yearly Net Income 2002	Gains and losses	14,599.24	Guaranteed value
Yearly Net Income 2003	Gains and losses	13,413.72	\$431,464.15
Yearly Net Income 2004	Gains and losses	11,641.65	Lincoln Fund set 10/30/07
Yearly Net Income 2005	Gains and losses	17,117.53	October 31, 2013 value
Yearly Net Income 2006	Gains and losses	11,525.49	\$485,938.25
Yearly Net Income 2007	Gains and losses	41,973.82	2013 Lincoln value
Yearly Net Income 2008	Gains and losses	-163,966.59	Above Guaranteed
Yearly Net Income 2009	Gains and losses	92,679.15	Value in 2007:
Yearly Net Income 2020	Gains and losses	100,199.37	\$54,474.10
Yearly Net Income 2011	Gains and losses	-20,787.09	
Yearly Net income 2012	Gains and losses	21,338.03	New Lincoln
Yearly Net income 2013	Gains and losses	114,287.49	Guaranteed amount: \$533,462.34
Yearly Net income 2014	Gains and losses	55,625.50	Set in 10/31/14 Up \$47,524.09

Jun-30-14	Jul-31-14	Aug-31-14	Sept-30-14	Oct-31-14	Nov-30-14	Dec-31-14
8,456.11	8,456.18	8,456.25	8,456.31	8,456.38	8,456.44	8,456.51
50,203.88	49,728.75	51,141.77	49,402.30	50,280.80	51,885.51	51,963.34
58,659.99	58,184.93	59,598.02	57,858.61	58,737.18	60,341.95	60,319.85
536,819.98	533,958.54	541,948.93	532,513.51	533,462.34	552,906.46	550,286.08
595,579.97	592,143.47	601,546.95	590,372.12	592,248.52	613,605.93	610,605.93
14,147.13	-3,360.50	9,403.48	-11,174.83	1,827.40	21,049.89	-2,642.48
0.06	0.07	0.07	0.06	0.07	0.06	0.06
796.06	-475.13	1,413.02	-1,739.47	878.50	1,604.71	-22.17
13,351.01	-2,861.44	7,990.39	-9,435.42	948.83	19,444.12	-2,620.38

2014 Mini-report	
1/31/2014	\$554,980.43
3/31/2014	\$570,841.14
5/31/2014	\$581,332.84
8/31/2014	\$601,546.95
12/31/2014	\$610,605.93
2014 gains	\$55,625.50

2015 Mini-report	
1/31/2015	\$598,967.70
3/31/2015	\$623,398.08
4/15/2015	\$628,535.00
10/31/2013	
12/31/2013	
2013 gains up to 4/15/15	\$29,567.30

Totals Columns for 2014

2014 Net Gains and Losses: \$55,625.50

2014 Cash Equivalent gains and losses: \$-4,999.83

2014 Net asset gains and losses: \$5,980.65

2014 Lincoln Financial Group Gains and Losses: \$46,329.05

Steve Wallech gave us the above report which he explained to us so that we could better understand it. 1) He noted that we had a great year with a net gain of \$55,620.50 making the value of our endowment fund \$610,605.93 at the end of 2014. 2) By April 15th, 2015 the fund had grown to a total of \$628,535.00 3) He showed us that our Lincoln fund now has a guaranteed value of \$533,462.34 set on October 31, 2014. 4) This is an increase of \$47,524.09 over the guaranteed value of \$485,938.25 which was set on October 31,

2013. 5) This is almost as much growth we have seen in the fund from 2007 to 2013 when the guaranteed value went from \$431,464.15 to \$485,938.25, for a net gain of \$54,474.10. 6) He told us that if the Lincoln fund were to continue to grow in 2015 which so far it has, the guaranteed value of the Lincoln fund would be reset once more at the new total on October 31, 2015.

Our financial advisor, David Sharpe of Stifel, Nicolaus & Company, Incorporated, also gave a financial report about our endowment fund. In a written report, he stated that the Lincoln Annuity started on 1/24/05 with \$300,000. On October 30, 2014 the new guaranteed amount was set at about \$533,462.27 with the previous amount being \$485,938.25. The yearly maximum annual withdrawal is at about \$26,673.12 whereas the previous amount was \$24,296.91. The Lincoln Annuity will continue as long as Steven Wallech is alive as he is the annuitant. If he were to pass away, which he cannot for a very, very long time, the balance would be paid to AGS as a death benefit. For the last two years, our account has been getting a persistency credit of about \$1,500 per year added to the account.

David told us that the total value of the AGS account is at about \$628,535 and can change daily. There is about \$47,410 in the Alliance Bernstein growth and income fund, \$5,596 in Ford stock, \$567,073 in the Lincoln annuity, and \$8,456 in cash/money market accounts. He also told us that the withdrawals in the past have been about the following:

Amount	Year	End of year account value
\$5,000	2014	\$610,605.93
\$3,512	2013	\$566,556.95
\$6,669	2012	\$441,628.02
\$4,000	2011	\$400,050.25
\$3,500	2010	\$420,837.14
\$7,067	2009	\$377,868.45

David noted that the average withdrawn per year in recent years has been about \$5,000. He noted that if that were to continue, he would recommend that the money be withdrawn from the money market first and then money from the Alliance Bernstein Growth and Income Fund. If those funds were to be depleted, then the withdrawals should come from the Ford Stock and finally from the Lincoln Fund.

David indicated that it would be better to not take as little money as possible from our accounts. He suggested we might try to increase the Alliance Bernstein Growth and Income Fund to \$100,000 and then take the approximate \$5,000 we take out each year as dividends from that account to use for scholarships. This year we decided not to take any amount out of our endowment fund which everyone agreed was the correct course of action.

7. State Treasurer's Report:

	\$147,914.59	Money in the bank as of 3-30-2015
minus	\$28,960.00	earmarked for scholarships
minus	\$13,169.28	2015 convention deposits not yet spent
equals	\$105,785.31	
	\$9,701.65	Money that belongs to the Jewelry account
	\$10,894.20	Money that belongs to the Operating Budget account
	\$1,831.82	Money From FAM.
	\$59,363.95	Money from convention profits that have not been used for scholarships or special pro
	\$23,363.24	Starting bank balance in 2005
equals	\$105,154.86	
	\$630.45	In an unknown bucket at the moment

Scholarship money collected in 2014 for 2015			
			BOT share
Bell	\$170.00		
Coffey	\$145.00		
General	\$1,055.00		
Jackson	\$145.00		
Loly	\$26,405.00	\$13,203	
Mantovani	\$895.00		
Walsh	\$145.00		
TOTAL	\$28,960.00	\$15,757.50	
Scholarship \$ not spent in 2014	\$0		
Half of 2014 Convention Profits	\$5,000.00		
BOT Donation			
SAB Donation			
TOTAL if BOT gives us their share back	\$33,960.00		
	\$40,000.00	awarded in 2014	
TOTAL if BOT does not give us their share back	\$20,757.50		

8. Old Business: None

9. Unfinished Business: None

10. New Business: Scholarship Amount for 2015: Jacqueline Faris, our state treasurer suggested that we should use \$5,000 from our operating budget so with the \$33,960 already allocated for scholarships, we would have a total of \$38,960 to give out in scholarships on Saturday. We agreed unanimously.

11. Adjournment: The meeting was adjourned at 5:45 PM.