

Riesentöter Region, Porsche Club of America, Inc.
(a Pennsylvania Nonprofit Corporation)

Minutes of a Special Meeting of the Executive Board
Held
26 July 2009

A special meeting of the Executive Board of Riesentöter Region, Porsche Club of America, Inc. commenced on Sunday, July 26, 2009, at 5:00 PM EDT by conference telephone. The voting members present were Graham Knight, Joe Asher, Chris Karras, Allison Dollery, Maureen Sangiorgio, Steve McMorn, Myles Diamond, Francine Knochenhauer and Peter Majka, constituting a quorum. The voting members absent were Robin Zelinskie, Marty Kocse, Larry Herman and Brian Minkin. Graham Knight had called the special meeting by mailing a notice to the members of the Board in accordance with Section 5.4.3 of the Bylaws and the Pennsylvania Nonprofit Corporation Law of 1988.

Graham Knight called the meeting to order. He then described the investigatory subpoena that the Commonwealth of Pennsylvania had issued to the Club and the advice he had received from legal counsel to PCA National and others that the Club needed representation by a lawyer experienced in white collar criminal defense to represent it in responding. Graham stated that he had identified a lawyer with that experience who was willing to take on the matter upon the Club's payment of a \$5,000 retainer. Graham noted that the subpoena was very broad and had a return date of August 2, 2009, and that the lawyer's initial tasks would be to secure an extension of the return date and seek to narrow its scope.

In response to Francine Knochenhauer's questions, Graham Knight stated that PCA National would not retain counsel to represent the Club in responding to the subpoena and that PCA National's insurance carrier had also declined to defend the Club. Graham also confirmed that the Club does not have any insurance of its own that would cover this expense.

In response to Steve McMorn's question, Graham Knight stated that if the subpoena could be narrowed to the time frame of January 2007 to January 2009 and the Club cooperated in the Commonwealth's investigation, that the Club's legal costs may be less than \$5,000. Graham also stated that there is a risk that the costs could exceed \$10,000. Graham confirmed that the Club's posture was one of complete cooperation with the investigation.

Myles Diamond and Maureen Sangiorgio raised questions about whether the Club's lawyer would be able to defend the Board members were there to be a claim made against them. Chris Karras stated that it would depend on the nature of the claim whether any one lawyer could defend multiple Board members. Chris also said that depending on the nature of the claim it may or may not be subject to indemnification by the Club under the Bylaws.

Chris Karras then moved that the Club authorize Graham Knight to retain legal counsel to defend the Club in connection with the Commonwealth's investigation and to pay a retainer of \$5,000. Francine Knochenhauer seconded the motion and it carried unanimously. (Knight, Asher, Karras, Dollery, Sangiorgio, McMorn, Diamond, Knochenhauer and Majka in favor; no one opposed; no one abstained)

The meeting adjourned at 5:35 PM EDT.

Submitted:

A handwritten signature in black ink, appearing to read "Chris Karras", written in a cursive style.

Christopher G. Karras
Secretary