

Draft: for consideration of SNU executive committee

3 May 2016

Dear [WBCCI Trustee]

Recently Thomas Smithson mailed a threat to each Sierra Nevada Unit member. That should be an embarrassment to the WBCCI. Mr. Smithson's correspondence and a document prepared to help SNU members understand its flaws, the issues it raises, and the background are enclosed to assist you in your efforts for due diligence. Mr. Smithson's proposed IBT motion should be set aside and, perhaps, only used in Board training sessions as an example of what not to do.

Mr. Smithson does highlight a very clear problem in regards to the IBT performance of its duties but, rather than address that with suggestions to improve management policies and procedures, he chose instead to aggravate the negative stereotype of the IBT often seen in virulent form in online discussion groups and to alienate a good number of WBCCI members. This is particularly interesting because his complaint is a hostile reaction to an effort to provide the IBT with concrete and constructive suggestion and example to reduce IBT duty burdens as well as enhance regulatory and legal compliance. On both the choice of what to tackle and how to respond to suggestion there is reason to wonder about just how Mr. Smithson determines what is in the best interests of the WBCCI and whether he provides an example of other Trustee's perceptions as well.

The SNU meets requirements and requests that are specified in the WBCCI Constitution, Bylaws, and Policy. The SNU therefore requests that the approval of its governance documents proceed as specified in the WBCCI Constitution and the status of the SNU as a properly chartered unit of the WBCCI be affirmed.

If the IBT finds that the SNU is not in compliance with its governance documents, it needs to clearly specify which "rules, regulations and qualifications for a Unit Charter" that have been "fixed and determined by the Board of Trustees" are at issue (Constitution Article IX sec 4). A suggested remedy should be offered and the basis for the requirement and the suggested remedy explained. A model and guide for this is the document the SNU prepared to analyze requirements and describe the reasons and implications of the decisions involved in its bylaws revisions. The reason the IBT should take this approach is to show its respect for its members, to demonstrate that it is acting in good faith, to show an awareness of the implications and issues involved in its findings and suggestions, to demonstrate that it is acting in an appropriate and proper manner, to dispel doubts concerning malfeasance, collusion, personal animus, incompetence, ignorance, and other such characteristics, and that it values an informed membership that understand the reasons for its actions as being in the best interests of the club. By doing so, it shows that the purpose and objectives of the WBCCI as distilled in the *Code of Ethics* are more than just words in the Blue Book for the WBCCI Trustees.

"To be ever mindful of our responsibility to Wally Byam Caravan Club International, Inc., and through conduct, indicate to the public that membership in this organization is an assurance of our courtesy on the road and good will to all peoples and countries.

"To be ever mindful of what we say or print with respect to the effect on others so as to avoid disharmony and ill feelings among club members and to dedicate ourselves to the work of cementing together the members of WBCCI in bonds of good fellowship and mutual understanding.
(6/23/01)

"To conduct ourselves in a manner to inspire others engaged in recreational vehicle travel to a full appreciation of the intent and meaning of this code.

“To maintain our camps in an orderly manner and leave them in the same way.”

Sincerely

SNU Executive Committee

Regarding the motion to revoke the SNU Charter:

A copy of a motion form was received by the SNU President via certified mail that cites a lack of approval of the SNU governance documents by the IBT as a reason.

First it should be noted that the process for revocation of a unit charter is described in the WBCCI Constitution Article XI. *“All rules, regulations and qualifications for a Unit Charter shall be fixed and determined by the Board of Trustees, and upon granting a Unit Charter, assign such Unit a name.”* (sec. 4) *“The Board of Trustees may suspend or revoke the Charter of any Unit for failure to abide by the Constitution, Bylaws or Policy of the International Club. Before any Unit Charter may be suspended, or revoked, the Board of Trustees shall notify the officers of such Unit, in writing of the violation on which the contemplated action is based. It shall provide an opportunity for a hearing including the opportunity to show willingness to cure and correct circumstances surrounding the alleged violation. (6/21/86)”* (sec 5.)

In the nearly a decade since the submission of the SNU Bylaws, there has been no description of any rule, regulation or qualification fixed by the IBT wherein the SNU was considered delinquent and, hence, no opportunity to know what the SNU should cure or correct and why. Indeed, the SNU has shown a good faith effort to adopt reasonable requests of the IBT CBL as illustrated by changes made in April 2016. Recent correspondence from an IBT CBL member asserted that the SNU Bylaws did indeed meet requirements contrary to what is asserted in the motion at issue.

When the SNU submitted its bylaws, it also provided a report that included a detailed analysis of WBCCI requirements and requests and how they were met by the SNU Bylaws. In the decade since this document was made publicly available, no IBT member or representative has suggested any deficiencies in the list of requirements or delinquencies in the SNU compliance with the items on the list.

Bylaws Article III Sec. 7 states that *“All standing committee chairs will submit a half-year report to the IBT’s annual business meetings by December 1 and May 1 of each year.”* Ohio statutes state that *“A director shall perform the duties of a director, including the duties as a member of any committee of the directors upon which the director may serve, in good faith, in a manner the director reasonably believes to be in or not opposed to the best interests of the corporation, and with the care that an ordinarily prudent person in a like position would use under similar circumstances. A director serving on a committee of directors is acting as a director.”* (Chapter 1702.30.B) It is therefore reasonable to expect that any issues or concerns would be raised within the time frame indicated and that the failure to raise such issues or concerns in such a time frame implies tacit approval under the Ohio prudent person principle.

The motion to revoke the SNU charter contains a number of factual errors as well. It asserts that the submission of 2007 was rejected. To the contrary, the submission of 2007 was mishandled and ignored. The incoming chair in 2009 inquired about the submission, was provided documentation as to its submission, and later reported finding the submission in a miscellaneous pile of documents. There was no further action of

substance until 2012 when requests were made for the documents for the five year review. Such requests were always answered. Sometimes by postal mail, sometimes by email attachment, sometimes by email link, and always in a manner the IRS considers acceptable for public disclosure of nonprofit organization governance documents. The continuing requests despite these efforts create reason to question the IBT acting in good faith in this regard.

The motion also mentions that “*significant omissions in the SNU document were brought to the attention of the SNU leadership by Region 12 and more recently by the International CBL committee.*” This is false. There have been occasional demands to change SNU bylaws based on whim and whimsy of persons acting outside of the authority of the WBCCI Constitution but none were sourced to an actual requirement in the WBCCI governance documents. Some of the later demands contradicted earlier demands, some ignored competent legal advice, and some illustrated how contradictory requests could create ambiguity and confusion.

A conclusion from these facts indicates that the concern of the IBT should be in its failure to conform to the requirements of its own governance documents.

Regarding concerns addressed in the Smithson letter of 28 April 2016

Mr. Smithson expresses two concerns in his letter to the President of the SNU. The first, approval of the SNU Bylaws is addressed in the previous section. The second expresses concern about a possible jeopardy of the WBCCI tax exempt status. That is a significant concern that the SNU Bylaws of 2007 were created to address as a concrete example for the IBT to examine. Resources for this include IRS Publication 557 *Tax-Exempt Status for Your Organization* and Revenue Procedure 1980-27.

A first area to address is compliance with IRS requirements for public inspection of exemption applications, annual returns, and political organization reporting forms. For an example of this problem, a request made to WBCCI Hq for its Form 990 was rebuffed. “*An exempt organization must make available for public inspection, upon request and without charge, a copy of its original and amended annual information returns.*” (557 p19) . See, especially, the section about “widely available” on page 21.

The group exemption maintenance is described on page 9 of publication 557. A key here is the requirement that the WBCCI provide “*An affirmation to the effect that, to the best of the officer’s knowledge, the purposes and activities of the subordinates are as stated in (2) [purposes and activities] and (3)[uniform governing documents], above.*” In 2007 it was quite obvious that the compliance with “purposes and activities’ with the suggested constitution and bylaws and policies was suffering. An example is the inability of many Units to fill defined officer positions much less the functional positions defined in their bylaws. The suggested documents tend to aggravate this particular problem of a truthful affirmation to maintain tax exempt status. This is only one problem among many that create the risk that Mr. Smithson envisions that come from the current WBCCI structures and procedures and not from the SNU.

What the SNU did was to combine the suggested governance documents reducing duplications between them. In addition, the SNU removed duplications between the suggested documents and the Constitution, Bylaws, and Policies of the WBCCI. The officer positions and functional positions were trimmed to a minimum to promote bylaws that are congruent with how the SNU actually operates. The question of purposes and activities was left to be that defined by the WBCCI in its governance documents such that a truthful affirmation about these matters to the IRS would be more accurate, at least as far as the SNU was concerned.

It should also be noted that WBCCI does not have any policy or defined process to measure compliance with its defined purposes and activities nor any management guidelines for improvement processes. This is part of what motivated the SNU rebuilding nearly twenty years ago. The only advice from the parent organization for a Unit in difficulty was to disband the Unit. A prudent person would expect association management that measures association health and develops programs and processes to turn those measures into solid management guidance. This is what a “prudent person” would expect from directors acting in the “best interests of the corporation.” It is what the SNU expects from its parent organization.