

Security Analysis and Risk Management Association

P.O. Box 100284, Arlington, VA 22210
Phone: (703) 635-7906 / FAX: (703) 635-7935
Internet: www.sarma.org



Minutes of the Board of Directors Meeting Tuesday, May 5, 2009

The Board of Directors of the Security Analysis and Risk Management Association (SARMA) met at ABS Consulting in Arlington, Virginia, and by teleconference on May 5, 2009. Present were Phil Lacombe (Chairman), Kerry Thomas (President), Ed Jopeck (Immediate Past President), John Paczkowski (Executive Vice President), John Boatman (Vice President for Operations), Ken Knox (Secretary), Irv Pikus, and Nancy Renfroe, being all directors and a quorum.

The Chairman opened the meeting at 4:05 pm EDT.

The minutes of the Board of Directors meeting on March 3, 2009 were approved unanimously as amended.

Discussion

- Changes to Articles of Incorporation and Bylaws (Thomas)
 - SARMA legal counsel (Mintz-Levin) reviewed the proposed changes to ensure they aligned with legal requirements of non-profit organizations.
 - The following changes to the Bylaws were recommended by the Board:
 - Article V Section 14 Paragraph ii: Eliminated entire paragraph addressing Board Chairman succession by the Immediate Past President.
 - Article V Section 14 Paragraph iii: For filling Board vacancies, the term in the Bylaws (“remainder of the vacating Board member’s term”) does not agree with the Articles of Incorporation Article III Paragraph (b) (“until the next election of Directors by the membership”). Recommend the Bylaws’ version if legally sufficient following legal review.
 - President Thomas moved that the draft Bylaws be approved as amended by the above changes and pending legal review for compliance with laws affecting not-for-profit organizations. Passed unanimously.
 - President Thomas moved that the draft Articles of Incorporation be presented to the SARMA membership for approval and adoption at the Annual Membership Meeting scheduled for June 18, 2009. Passed unanimously.

- Ad Hoc Committee on Proposed Business Models. Mr. Lacombe and Mr. Paczkowski reviewed the work they had accomplished on potential business models for SARMA. Criteria were established, and six alternatives were studied:
 - Full time senior Executive Director
 - Part time Managing Director
 - Consultant as a Consulting Director
 - Affiliate with established association
 - Contract with association management company
 - No change

Discussion on the pros and cons of each alternative continued. The following conclusions were reached:

- No change alternative was not acceptable
- Alternative should not subordinate SARMA to other organizations
- Full time staff costs currently prohibitive based on financial analysis
- Volunteer character of SARMA is important to our culture
- Need not be conflict between paid SARMA administrator and any current SARMA affiliations

President Thomas made a motion for a committee of the President, Executive Vice President and one other Director to develop a plan to hire a part time consultant. The plan should be developed within two weeks to permit rapid filling of the position. Passed unanimously.

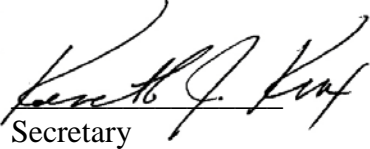
- Affiliation Opportunities
 - OPS (Thomas): Relationship continues to develop and mature. Initial meeting with ad hoc committees from SARMA and OPS has take place. Initial draft of affiliation document is under development. We are co-sponsoring a social event at the San Antonio national OPSEC conference 11-13 May 2009.
 - ASIS (Paczkowski): Attended CSO round table and confirmed ASIS is interested in enterprise risk management. Limited progress on affiliation to date. We plan to present at the September ASIS conference, which will hopefully be a strong statement that sets the stage for future conversations on our relationship.
- Conference (Boatman): As of six weeks out, 47 are registered and are projecting 120 to 150. Two gold sponsors (ABS, PWC), one silver and one bronze sponsor. Additional sponsor recruitment needs to be major focus for Board. Former Secretary Chertoff and Representative Bennie Thompson are possible network social speakers.

New Business and General Discussion

- SARMA Organization (Thomas): Need to schedule a kickoff meeting of the committee chairs, perhaps at the Conference.
- Mr. Jopeck noted that NRO is still interested in a security risk conference, perhaps in the fall 2009 timeframe.

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There being no further business, the meeting was adjourned at 5:57 pm EDT.


Secretary

APPROVED:

Chairman