

CR-12

FROM: Rob Thuss, Legal
TO: JCNA BOD
c/o Bob Matejek, Secretary
RE: 2018 AGM BOD Report
DATE: February 27, 2018

Legal Concerns:

There are no pressing legal concerns. Over the past year, JCNA retained the Simm Showers firm for tax related assistance, so that in the event tax issues arose, JCNA would have an established legal relationship to promptly address any such issues. In preparing the 2016 Return, our accountant was able to confer with Rob Showers, and associates in the firm. The main issue relates to the proportion of non-member income JCNA receives, since IRS Rules set limits on the amount of non-member income a not-for-profit private social club may receive. If non-profit private social clubs exceed established thresholds, or cannot show the non-member income is related to its purposes, it could lose its non-profit status. To ensure JCNA has a policy in place concerning accepting non-member income, JCNA passed a policy that JCNA will not accept non-member income that is not related to its purposes as set forth in the JCNA Bylaws. The Simm Showers is on retainer.

From time to time, I've been asked for an opinion about various internal matters, and this is normal and I cannot recall any questions beyond the norm. Some questions have been raised related to coverage under JCNA's insurance policies, and recently questions have been raised about the "waiver" language that JCNA and Affiliates have used on its registrations for sanctioned events. Review of this language may be forthcoming. And again, recently, JCNA reached an agreement with Bob Sheridan for JCNA to reproduce paper copies of an XK 120 Judging Guide.

Renewals with our contractor positions are scheduled to occur in conjunction with the AGM, and we'll prepare renewal contracts, accordingly, working with the Business and Executive Committees.