

Fortified Board Meeting Minutes – Mid Year and 2027

June 4, 2024 (via Zoom)

ATTENDING: Lou Moran III, Art Glasgow, DR Pennington, Jon Jensen, Denny Sanford, Shaw Johnson III, Jay Reynolds, Brant Galloway. Also attending Joe Craven CEO and Jeffrey Etzkin Event Planner.

Lou welcomed everyone to the meeting, The past minutes of the April 29th meeting were presented for approval, however the May 3rd meeting minutes will be brought up for approval during the next meeting. Denny made a motion to approve the minutes as presented. Jay Reynolds provided the second and the vote to pass the minutes were unanimous.

Potential Speakers for the Midyear meeting: Jon presented Professor Hartwig from University of South Carolina as a possible speaker. Jon asked if anyone had heard him speak before. Jon described the man as brilliant. He is the CEO of iii for several years, before that he was the head research analyst for NCCI and before that he was the lead analyst for Swiss Re. Jon indicated his presentation was interesting. He uses some of the same statistics we see at many meeting, but what makes him different is that he overlays the statistics with economics. This approach shows why a lot of the things that happens occur and why they occur. It is not the same stuff you hear from the typical company meeting and different than what our owners typically hear. He is very interesting.

Professor Hartwig said that he would fly in, do the presentation and then fly back out. He wants \$3,000 plus expenses to come do the presentation. If we want to do it virtually, he will do it for \$2,000. Art suggested that unless we are using Jim Craft and IPFS for something else, we might could get them to sponsor for the presentation. Lou said that we would like to get him on board and then go find the sponsor as his information is fascinating. Denny thought the price was very reasonable and called it a “no brainer”. Lou preferred that we get Professor Hartwig in person rather than virtually and then asked Denny would he provide a motion that we move forward in lining up Professor Hartwig. Denny made the motion to contract Professor Hartwig as a speaker for the Midyear and Art provided the second. The vote was unanimous. Lou asked Joe to find us a sponsor.

There was discussion about the upcoming meeting. The tentative schedule is made for the Monday portion. Sunday night we will have a board dinner and invite several guests. Jeff is to line up reservations at Perry’s in Birmingham as the venue. The time will be at 6:15 pm. Also the decision was made to let the carriers take out the owners for Monday night dinner. The cost of the on-site dinner was too expensive. Jeff added that we saved a good amount of money by not having the dinner and “toning it down”. Denny asked what we did about the Alabama Retail sponsorship? Lou replied they can be the big reception sponsor and they can speak. Denny replied they will not say much.

Lou moved on to Tuesday morning we can have breakfast, then have the state breakout meetings, and then get everyone together for discussion, questions and concluding remarks. That way we will have everyone out by noon.

Jon pointed out that we are having a big reception and also that carriers are taking out the owners to dinner. We don't want to have the carriers scheduling dinner early and it take away from the reception and the owners time to be together and have meaningful discussions. Joe replied that he can let the carriers know to please wait until the end of the reception to before going to dinner. Lou asked the question "what if" we asked the carriers to instead put some of the dinner money to "beefing up" the reception to make it a better food experience and thus keeping everyone there. Denny added that Ross Bridge and its location lends itself to keeping everyone there. Joe replied that it just gets complicated for him asking the carriers for an attending fee, a table fee and then additional fees for something like this. Lou replied that he gets that! Other options were discussed but Joe and Jeff will work out the reception details.

2027 Meeting: Jeff brought us up to date on some options. The first one was in San Antonio, Texas. There was an option from the Hill Country Hyatt and was reasonable. Another other offer came from the Marriott Hill Country, however their room rate was much higher. The resorts at Hill Country are nice but they are 25+ minutes from downtown and present much the same problems that Rodd Bridge does in getting people downtown which is were they all want to go. The downtown options did not present bids to us so it leaves us just with Hill Country. New Orleans is a different story. Jeff indicated the Roosevelt is offering two different dates in February. So at this time our two options are Hill Country San Antonio or downtown New Orleans.

There was discussion about the cost of the rooms and locations. Brant mentioned that more people may drive to New Orleans lessening some of the transportation costs. Jon stated that he had been recently to a meeting in New Orleans and the surroundings appeared to be pretty rough! He is concerned that by 2027 it could be worse. Jeff agreed and then stated the new governor is putting state police office there and is trying to beef up security and reducing crime specifically in the downtown area. Shaw added that most all big cities are having homeless issues now, and New Orleans is what it is.

Lou asked the board if they wanted to look at anywhere else. Possible Charlotte or city. No other options were considered. Lou asked which week is preferred? Jay asked Joed which week is better for him and financials. Joe replied the later the better. Denny agreed. Jay added that it is important that we have a good financially based business meeting for our owners at this annual meeting. Lou agreed with Jay the second week option is better. Jay made a motion for the second weekly option and Jon made the second. The motion for 2027 in New Orleans was approved without descension.

Audit: Lou informed the board the CPA firm is conducting the audit and it has been very involved. The audit team is a completely separate division and they have started from scratch in the process. Jon added that it is good with the new owners coming in. Most agreed that it was a good thing. Denny asked if the Texas group is still planning to join Fortified? Lou indicated they were and are having their meeting June 11-12 and would be discussing/voting. They have indicated they are coming and are currently using Propeller Bonds and we are making money off them.

There was no other business to be discussed so Lou declared the meeting adjourned.