August 20th, 2014: Dark clouds forming after Geoff notifies Kim and Brian that merger is off the table. Fear is rampant among DNF staff that there will be vengeance from Geoff. Board warns Kim, Brian and staff not to discuss merger details with member or community.

In time-chronological order (not reverse email reply order)

Date: 8/20/2014 9:48 AM

From: Kim

To: Terry, LMC GM

Subject: FW: Merger Off The Table [string – Kim forwards to Terry Geoff's email of previous evening]

Hi Terry,

I received this e-mail from Geoff last night. I wanted to thank you for speaking with our Board regarding the staff and membership concerns. Brian and I definitely want to work with you and La Montañita on our co-ops future. Our membership is buzzing with energy and we want to direct that into positive movements and relations. I know there is a huge demand to be a part of the food distribution.

If possible in September we would really like to get together and see where we could go in the future and what your suggestions and Robin's would be to improve our co-op.

Best,



Kimberly Wiggins
Co-General Manager
Finance & HR
Durango Natural Foods Co-op
575 E 8th Ave., Durango, CO 81301
p: 970-247-8129 extension 115
accounting@durangonaturalfoods.coop

Date: 8/20/2014 10:00 AM

From: Kim To: Root

Subject: RE: Merger Off The Table [string]

Hi Root,

Just an update, the staff is really concerned that now the merger is off the table that I will either be fired or asked to step down as interim co-general manager. I feel that although it would hurt me financially, that I will still fight the good fight regularly. Brian is concerned that in looking for a GM, which is all they are tasked with now, they will be biased once again and try to put someone in place that will be their puppet.

Guess we will see.



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Date: 8/20/2014 10:09 AM

From: Root To: Kim

Subject: RE: Merger Off The Table [string]

Hang in there Kim and keep up your wonderful courage. We're not letting this drop; and we're not done with this board. Meeting with Pat this morning. More later... Keep me current on any developments like you have been.

Root

Date: 8/20/2014 10:49 AM [11:03 AM: Kim FW to Brian, bcc: Root; 11:50 AM: Root FW to Pat]

From: Terry, LMC GM

To: Kim

Subject: RE: Merger Off The Table [string picks up below]

Date: 8/20/2014 11:50 AM [Root FW to Pat, Terry's reply to Kim below]

Pat, here's the latest exchange between Kim and Terry, about Terry's conversation with the board. Terry's phone and email are below, so log that in somewhere if/when you need it. Given his exchange with Kimberly, I don't know if you need further confirmation directly from Terry. In fact, it might muddle things that seem to be going the right direction right now.

Root

[10:49 AM: Terry to Kim]

Hi Kimberly,

I spoke with several of your board members yesterday and we agree this is not a good fit for either Co-op at this time.

I believe working together can benefit both of us, we would be happy to schedule a time for these discussions, we would like to be more involved in food distribution and food hub work in the Durango area and you can help guide this work.

Durango has and will be one of our favorite Co-ops to work with and we want to continue this relationship.

Thanks,

Terry

Terry Bowling General Manager La Montanita Food Co-op Albuquerque New Mexico 505-217-2020

Date: 8/20/2014 11:54 AM [12:12 PM: Kim FW to all DNF staff, bcc: Root; 12:25 PM: Root FW to Pat]

From: Victoria [DNF Board Secretary]

To: Kim & Brian [DNF Co-GMs] Cc: [Other Board members]

Subject: Merger Discussion [warning from board not to discuss with members or staff]

Brian and Kimberly,

In regards to the email Geoff sent you this morning about the merger, the Board is requesting that you not voluntarily share the new information with any owners or members of the staff or community. The Board is currently drafting a letter to explain the state of the merger. We want this new information to come from us. If you are directly asked about the state of the merger please do tell the truth.

If you have any question, please do not hesitate to contact me.

Sincerely,

Victoria, DNF Board Secretary

[12:25 PM: Root FW to Pat]

Pat, sending you updates as they come in. Victoria doesn't indicate when the letter they are drafting will be done and sent. Kim and Brian are safe with their communications with me and you, because we've been actively asking them directly about the merger throughout this; re Victoria's: "...please do tell the truth."

Root

[2:38 PM: Pat reply to Root]

Subject: [Kim agrees to help with our plan (decided that morning in meeting at Pat's) to get petition out to all members to recall the entire DNF Board]

Thanks for the emails, Root. I talked to Kim and cleared it with her about sending out an electronic petition to the members to recall the board; she said she would be happy to send it.

Pat

Date: 8/20/2014 4:14 PM

From: Root To: Kim

Subject: Resume's for Kim and Brian

Kim, just following up on my voice message to your cell: Please send me your and Brian's resumes. When Pat and I are ready to send something out to the members, we intend to protect your jobs as CoGMs, so need to know your backgrounds. Also, after my discussion with you and Brian together that evening after the Monday meeting, I will say that you are doing very well as a team and that all bases are covered for the running of DNF without a single GM for, what now? 8 months? I think Joshua left in December last year. Let me know and if there's anything you can add to your managing the store together, like (without putting words in your mouth) you both 'really enjoy working together, and....".

We're moving forward rapidly. Any idea when the Board letter will come out? Would be great if it was soon, so we know how they are positioning all this before we make a move.

Root

Date: 8/20/2014 <u>5:21 PM</u> [8:48 PM: Root FW to Pat FYI]

From: Kim To: Root

Cc: Brian Gaddy (DNF Co-GM)

Subject: RE: Resume's for Kim and Brian

Hi Root,

Thank you for your e-mail. I have shared this e-mail with Brian. I will collect my thoughts and background and send them to you soon and I am sure Brian will be in touch. I do not know anything about the Board's letter or the expected delivery time; I am not in their good graces. Thank you for your support.

Best, Kim



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Date: 8/20/2014 9:12 PM

From: Pat To: Kim Cc: Root

Subject: RE: DNF financial info [and recalling entire Board]

Thanks, Kim [for replying about EIN and State & Federal Taxes]. I would still like a copy of the current 2014 DNF Balance Sheet to date for recruiting member loans [Pat knows members who may be willing to step up with enough funds to retire our bank loan, thus keeping our finances internal to member-owners, further protecting DNF].

Also can you think of a more positive way of protecting you and Brian other than to remove the entire board? No board member present during the Monday meeting contradicted Geoff's partially correct statements and this has caused some of us to lose confidence in the board as a whole to honestly represent the best interests of the co-op. In addition some of the DNF members do not want the board to spend any more of the \$10,000 looking for a new GM when you and Brian have shown your excellent abilities while managing DNF in the black. Six months (before some of the board complete their terms in April) is too long to allow these people to continue to make important decisions. I welcome all the staff's ideas before we proceed.