Wednesday, November 12th, 2014—After the wallop of the Nov 6th Board announcement cancelling the special Dec 3rd election, Pat and the rest of us are looking at how we should respond and regroup for the April 2015 annual election... or not at all.

Sunday, November 16th, 2014—Pat sends out response letter to the 205 regarding the Board's Nov 6th cancellation of the Dec 3rd special election.

Monday, November 17th, 2014—With their Nov 6th announcement that the Dec 3rd special election is cancelled, the Board secures its position of total control and seizes the initiative on the narrative of this entire past year by pointing to their own timeline and interpretation of events with a new FAQ, both posted on the Board's webpage and pointed to in their Nov 17th meeting notice below.

The Board continues to promote their idea as a "merger" and that "a merger would change [DNF's] precarious reality dramatically and improve our market share at the same time. Also, when we are doing well is exactly when we should be considering such an opportunity as we can negotiate from a strong position."

They continue to "sell it" as a narrative to the members ever touting "such an opportunity" and "negotiate from a strong position;" yet, the only benefits to the DNF owners they can manifest all refer to benefits that would actually be obtained by the new owners and other people (see Q2 of their 11-14 FAQ). What are they supposedly negotiating? They also continue to blame DNF employees for the foul-up of their introduction; making claims directly disproven by original documents, such as their communication plan disclosed earlier. Yet, never are any original documents disclosed or shared by the Board with the DNF members to undergird their claims. This exposé changes that dynamic.

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

Date: 11/12/2014 1:52 PM [Wednesday, six days after the Board's cancelation of 12/3 special election]

From: Pat To: Root

Subject: DNF BOD special mediated meeting Sep 4^{th} [where Board presented its side of the story during

our petition drive

Root,

Do you still have the minutes you took on the Sep 4th special mediated DNF meeting held at the public library? If you do, would you be willing to copy Victoria Robinson's presentation and send it to me? I want to be able to quote her as accurately as possible.

I plan to talk to one of the nominees first and then will send out a summary and future plan for the petition signers.

Thanks again for your help.

Pat

Date: 11/13/2014 7:26 AM [Thursday, one week after the Board's cancelation of 12/3 special election]

From: Root

To: Pat

Subject: RE: DNF BOD special mediated meeting Sep 4th

Hi Pat,

Okay, I'll check on what notes I have later today or maybe this weekend. Got lots on my plate at the moment and I've put those notes away, so have to dig for them.

Please send me a draft of what you plan to send out to the petition signers in terms of your summary and future plan. I ran into one signer a couple of days ago, who said to me: "Root, what's this bullshit the Board is now pulling by ignoring our petition... This Board has really got to go!" To which I replied, "I don't know; but we'll just have to wait until April to dump most of them."

So, you can see that what is said to everyone in the interim is quite important. Most important, I think, is to explain to them that we should not try to fight this on the Board's ground by responding directly to the Board regarding their last letter ignoring our petition; they control that turf at the moment and there is no power in it for us to get dragged into arguments about what this section or that of the bylaws really means. That's merely a ruse they are using. The bylaws are a train wreck and almost completely disempower the DNF members. That's still the one committee I want to be a part of when a new Board is in place so we can make the serious changes needed in order to disempower a rogue board like this one, while empowering the members to keep better hands on the management of DNF and to be able to more easily initiate member meetings, etc. I'm still outraged about all this, which has become a pure power struggle by Geoff against over 200 members (with my name and your name up front, so it's like he's taking you and me on and no one else).

Is there a nominee you have noticed who is stepping forward with some leadership potential, perhaps the one you're going to talk to? Who is the strongest candidate do you think? I don't really know any of the seven names you shared.

Root

Date: 11/13/2014 4:38 PM [Thursday, one week after the Board's cancelation of 12/3 special election]

From: Pat/Root
To: Root/Pat
Cc: Kim

Subject: RE: Email to petitioners in response to DNF BOD Nov. 6th "legal" letter

[Pat, Root and Kim exchange a couple of drafts of a letter to the 205 that Pat wishes to send out]

Hi Root and Kim,

Please review this letter I plan to send to the 200+ petitioners. Remember to keep your suggestions unemotional and short. Thanks.

Pat

Date: 11/13/2014 5:46 PM [Thursday, one week after the Board's cancelation of 12/3 special election]

From: Kim To: Pat Cc: Root

Subject: RE: Email to petitioners in response to DNF BOD Nov. 6th "legal" letter

[Pat, Root and Kim exchange a couple of drafts of a letter to the 205 that Pat wishes to send out]

Hi Pat,

It is clear and to the point. I think the 200 signers should be able to see the letter the board wrote as well, unless they already have it. I think articles to the editor are a good start.

Thank you, Kimberly Wiggins

Date: 11/14/2014 5:46 PM [Friday]

From: Root To: Pat Cc: Kim

Subject: RE: Email to petitioners in response to DNF BOD Nov. 6th "legal" letter

[Pat, Root and Kim exchange a couple of drafts of a letter to the 205 that Pat wishes to send out]

Hi Pat, I have a couple of comments I'll get to you in a while. Your letter is a good update to the people. Let me think about it a bit more and I'll get my comments to you.

Root

11/14/2014 11:35 AM: Root gives input

Hi Pat,

Your response draft is an excellent idea that I fully support. I've spent some time on this and have attached my edited version, clarified and expanded a bit. See how you like it. I've also created a pdf copy ready to send, with security password to prevent tampering, which is what should be sent out since Word documents can be changed after they are sent out (which one would never know). If you want to make any further changes, I can recreate the pdf.

I also went through my notes to that mediated meeting and found nothing succinct by Valerie that would be useful in this letter. We've pretty much got it covered; and as you have stated, the Board's responses 'speaks for itself'. Thanks so much for taking the initiative on this and giving me an opportunity to provide my input. It was undated and unsigned, so I added those and changed a couple of the "I" statements to "we", because I'm on board with you on this and so put it as signed by both you and me.

Best regards and thanks again for all you've done to pull together new nominees for the Board. This is a real lesson about civic democracy in action.

Root

[Pat sends out letter below to all 205 petition signers]

Date: 11/16/2014 5:59 PM [Sunday, before Monday's Board meeting, first after election cancelled]

From: Pat

To: 205 Petition Signers [via bcc]

Subject: RESPONSE TO DNF BOARD BLOCK OF RECALL VOTE

Valued DNF Recall Owners/Petitioners,

The recent Nov. 6th letter "RE: Legal Review of Petition to Remove Board" sent to all co-op members by the DNF BOD speaks for itself.

My purpose for this email is to reassure each of you, owners/petitioners that this Board is leaving. Regardless of the Board recently blocking the recall vote through "legal action", five out of the seven Board members are still going to be replaced in April 2015. Seven new and qualified replacement nominees now have their applications on file with DNF. The Board members whose terms expire in April 2015 are: Geoff Wolf-President, Paul Kosnik-Attorney, and Robert Fitts-Treasurer. Two other members have recently resigned so five people will need to be replaced. The terms of the remaining two Board members: Victoria Robinson-Secretary and Jim Forleo, will expire April 2016. It is critical that you cast your vote in the April 2015 election. Check the DNF website.

In my opinion in the short time until Dec. 3rd, it's not worth hiring a second lawyer. The DNF Bylaws are so loosely written that lawyers from both sides could argue forever. We, petitioners, are over 200 voices, of which 184 are current active owners. I would never presume to speak for any one of us. We each have our own voice! As a result, I chose not to respond to Geoff's three day response request.

Below are the relevant and inconsistent DNF Bylaws.

Section 3.2--At least 10% of the DNF owners can initiate a recall petition ... within ninety days... stating any proper issue to be brought up before the meeting.

Section 3.9--At least 7% of the DNF owners can initiate a recall petition to...include any proper issue...submitted not less than sixty days before the date of the meeting...

Section 4.9--With or without cause by vote of owners, which vote, if for cause, may be initiated by petitions pursuant to Sections 3.2 and 3.9 of the bylaws...

Our recall petition represented over 14% of the total active members. After having received these signatures, Geoff, speaking as DNF President, ruled that the methods in question pursued by the Board during the merger/sale negotiations with La Montañita were not proper issues and, therefore, were not allowed to be discussed. The Nov. 13th Durango Telegraph article quoted Geoff, while referring to his having received no response to his three day deadline, stated...the board's door was wide open. In truth, there exists no "wide open door" for any legitimate resolution. The Board has failed to responsibly represent the entire 1,300+ DNF owners equally. No discussions can change that. There are numerous examples of the Board collectively distorting the truth and suppressing information from the owners these past months plus seriously fabricating and violating personnel confidentiality. Nevertheless, as a DNF Nomination Committee member, I chose to summarize just three issues in the DNF Owners Recall Position which were to have been listed on the Dec. 3rd ballot. ***See below.

Until the April 2015 election, I encourage each of you to write Letters to the Editor in the Durango Herald and the Durango Telegraph including all the Board members' names (listed above) as often as possible. Each must be held accountable for ignoring the voice of the DNF owners; they must NOT be allowed to remain hidden behind "the Board".

*** DNF Owners Recall Position

- 1. Voted to equally represent the entire membership at the same time, the Board did not inform all the DNF members concerning the possible La Montañita merger/sale.
- August 6th, Board members personally invited a select group of only 50 key DNF members plus staff to Eno for questions/answers concerning the possible merger/sale. According to the CDS consultant's plan, the other 1,300+ members would be informed much later via an information packet/ballot made available at the store two weeks prior to the vote.
- 2. The Board declined to share the details of the pre-signed Letter of Intent; this information was repeatedly requested by DNF members. The Letter of Intent tentatively agreed to sell DNF to La Montañita for the cost of its liabilities, approximately \$300,000, which was far below the actual value of the business.
- 3. The Board's August Press Release projected a very stable status for the staff after the sale of DNF; this was contrary to the terms described in the Letter of Intent.

To quote the August 6th Press Release from the Board, "Arrangements are being made for the staff and members to be integrated into the La Montañita Coop... The change will provide increased stability for staff, a desirable wage and benefit package, improved staff training... development and will open up new career opportunities."

In actuality, at the time of the sale, all staff would cease to be employed by DNF (per the Letter of Intent) with no guarantee of being rehired by La Montañita.

Sincerely, Pat Blair

Our mailing address is: Pat Blair 2409 Delwood Ave Durango, CO 81301

Our telephone: 970-247-2703

Date: 11/16/2014 6:43 PM [Sunday, before Monday's Board meeting, first after election cancelled]

From: Pat To: Root

Subject: DNF RECALL BLOCK

Root,

Rob finally got my computer working. I appreciate your ideas on the petitioner update but decided I needed to write it myself. I hope you find the letter effective. Just a note...a while back when I checked for your email in the mail chimp address list after the first mailing, you had been so diligent in adding everyone else but hadn't added yourself. I added your name; let me know if you don't get what just got sent.

Second question...There is a Celtic concert Tues. Nov. 18 at the Rocky Mountain Retreat at 6:30 pm. I have heard this group before and they are energizing! If you can come, I will treat you. Some of the DNF nominees are attending so it might be an opportunity to meet them. Let me know as soon as you can.

Thanks again.

Pat

Date: 11/17/2014 9:58 AM [Monday, first Board meeting after their cancelation of 12/3 special election]

From: DNF Board To: DNF Members

Subject: Board of Directors meeting this Monday

[With their Nov 6th announcement that the Dec 3rd special election is cancelled, the Board secures its position of total control and seizes the initiative on the narrative of this entire past year by pointing to their own timeline (dated Nov 5th, the day before their announced cancellation of the special election) and interpretation of events with a new Q&A, both posted on the Board's webpage and pointed to in their meeting announcement below. Yet, never are any original documents disclosed or shared with the DNF members to back up any of their claims.

They bring in top NCGA official, who underscores the Board's efforts (initiated by NCGA, they say) to sell DNF, because they say only those co-ops with at least \$4 million in sales are viable; whereas DNF has only \$2 million in sales.]

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Board of Directors

News from the DNF Co-op Board of Directors

Hello DNF Co-op Owners! You are cordially invited to attend the Board meeting this Monday, November 17th, at 5:30 in the Animas Room at the La Plata County Fairgrounds. If you join us, you are in for a treat! Not only will you experience the Board in action carrying out it's business, but you will also hear two guests visiting from the National Cooperative Grocers Association (NCGA) speak about national Coop trends and the link between DNF and the larger Co-op world. We hope you can join us!

In addition to the chronology of 2014 events the Board posted to its webpage last week, we have compiled answers to many common questions posed to us in a <u>FAQ</u> sheet that you can peruse by clicking here. If you have a question that is still

unanswered, please ask us via email at <u>board@durangonaturalfoods.coop</u>. We value your thoughts and truly want to hear from you!

Yours in Cooperation,

The DNF Co-op Board of Directors



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575 E. 8th Ave. Durango CO 81301

Date: 11/17/2014 10:33 AM [Monday, day of Board meeting, first after election cancelled]

From: Root To: Pat

Subject: RE: DNF RECALL BLOCK

[Root's status on the DNF blast list continues to be problematic for unknown reasons]

Pat, I just got the board meeting announcement email from Brett. For some reason, when he sent it out Friday the 14th mine 'bounced back'. He'll be watching for that in the future, but doesn't know why it happened.

So, on the board's letter, did you download/print/read the Board's timeline document and their FAQs? Very important to know what they are saying, so be sure to check those items if you have not already. Root