

DNF BoD CHRONOLGY OF EVENTS: NOVEMBER 2013 – NOVEMBER 2014

- November**
- General Manager Joshua Jackson resigns
 - BoD asks Kim and Brian to serve as interim Co-GMs while we to learn about how to execute a GM search
- January**
- Co-GMs start off working together well but soon have difficulty with their relationship. They eventually ask that one of them be chosen as GM. We all agree to keep the Co-GM arrangement in place for the time being.
 - GM Search Committee formed
- Feb. 15**
- 2014 Board Retreat: Priorities Set for 2014
 1. Educate - Mission & Community
 2. Promote – 40th Anniversary (Building Traffic & Sales)
 3. Improve – 5% increase in Average Basket / Fill Front End Lead PositionLimited Capital Budget approved due to lack of profits or patronage dividend last year.
 - GM Search discussed in executive session: agreed to begin June 1, 2014
- Feb. 18**
- Phone call with Mark from CDS Consulting aspire to be excellent at 2-3 million, develop community feel; often difficult to run coop at less than 5 million because don't have enough money for adequate staff.
- March 13**
- Phone call with Mark G: suggests contacting Terry Bowling, GM at La Montanita Food Co-op (LMFC), to ask for Ideas for interim &/or permanent GM candidate; discussed having difficulty recruiting BoD members to run in upcoming election.
- March 15**
- Mark G email to Terry - 1st mention of merger within the same email to ask if he knew of any GM candidates.
- March 15-30**
- After discussing a merger possibility in an executive session, the BoD tells Mark that the Board is not interested in a merger.
 - Terry refers us to one possible candidate. The candidate is qualified but had just accepted another GM position.
 - Co-GM's struggling to work well together, appears like we need to accelerate search; DNF staff discussing management issues with customers.
- April**
- BOD election postponed - Despite reaching out personally to many members, all Board alternates had decided not to continue and no one from membership was interested in running for Board.
 - Geoff (whose term ended in April of 2014) agrees to run for a one year term while we search for members to serve on the Board
 - Search inquiries within National Cooperative Grocers Association (NCGA) do not come up with anyone to contact. Search committee accelerates work schedule.
 - Search Committee about ready to launch an ad campaign for GM Search
- April 15-30**
- Mark and Paula from the NCGA bring up merger idea once again... only this time the Board listened more carefully. This was due to 1) our initial GM search results were unfavorable and 2) the Board was struggling to find DNF owners willing to serve on the Board
- Early May**
- GM Search budgeting heading toward \$7,000 or more...co-GM's still appearing very fragile arrangement.... ads about ready and Board hears idea of merger in a different light.
 - DNF BoD elections held: 3 open seats with only 2 people running (Geoff and Colleen)
- May 21**
- 1st call with Terry Bowling (GM of LMFC): verbal guarantee that staff would stay; organize management: store manager, assistant manager, department team leaders; LMFC will cover legal issues of merger

- Call goes well and the BoD requests a Non-Binding Letter of Intent (LOI) summarizing all ideas we discussed with LMFC
- May 26**
 - Non-Binding LOI arrives but the Board does not like the language. We initiate our own version and work with our attorney to revise the original content.
- June**
 - New LOI worked out with aid of attorney and CPA.
- June 3**
 - The BoD meets with interim Co-GM's and informs them of the merger idea.
- June 4**
 - Feedback from interim Co-GM's worked into revised Non-Binding LOI
- June 10**
 - More feedback from interim Co-GM's worked into Non-Binding LOI
- June**
 - Worked on Non-Binding LOI details
- July**
 - Worked on Non Binding LOI details
- July 27**
 - Non-Binding LOI getting close to being accepted by both parties.
 - Kimberly & Brian begin working on communication plan for Staff
 - Board begins communication plan for members and community
 - Member Craig Scott included on Merger conversation as he had been attending Board meetings.
- July 30**
 - 1st version of communications plan ready
 - Plan is to communicate clearly about the board recommendation, hold member feedback sessions and have a ballot that provides clear information about what's being asked, presents the legal language that is required of them, and states the idea to members with explanation on the "why."
- July 31**
 - Non-Binding LOI finalized and accepted by both parties.
- Aug 3**
 - Past key Board members told of recommendation and NonBinding LOI, including Pat and Rob Blair
- Aug 6**
 - BoD meets with Mark, Terry and Robin (Membership and Community Outreach Coordinator) from LMFC, and discuss communication plan and timeline for proposed merger.
 - DNF staff told about merger idea in a meeting with Geoff, Victoria, Kimberly, Brian, Mark (from CDS Consulting) and Terry and Robin from LMFC. Many relevant questions asked. Staff was asked by Geoff to participate in the process with the first item being to help revise the existing "press release" to the coop owners regarding the announcement of the proposed merger.
 - Many past BoD members and other key DNF members and interim Co-GMs attend special meeting with current BoD, Terry & Robin from LMFC, Mark from CDS Consulting to discuss possible merger. All in attendance (including the interim Co-GMs) ask relevant questions and most seem in favor of the proposal. Pat & Rob Blair personally invited to meeting but they chose not to attend.
- Aug 8**
 - Geoff contacted Kimberly and directed her NOT to publicize the "press release" until he sent her a revised copy and certainly not before Aug 14th.
- Aug 9**
 - Email to BoD from Victoria - "Co-GM contacted me yesterday and expressed concerns they heard from about 5 staff members concerning the merger. We had meeting at the DNF office and communicated that not everyone, members included, would be in favor of the merger and that all members would have a chance to vote on the merger in October. I also asked that it be relayed to the staff that they were more than welcome to attend the board meeting on the 18th and that we would do our best to answer any questions they have at that time."
- Aug 11**
 - Press Release sent out on this day without being approved by the BoD and ahead of schedule.
 - Pat Blair requests that the August 18th board meeting be held at the Rocky Mountain Retreat center so that more members will be able to attend and have the

opportunity to discuss the La Montanita merger. The Board agrees to hold the meeting there.

- Aug 12** • Email received by Board with apologies that yes, an email was sent without approval to the store Owners regarding the merger.
- Aug 18** • Root's email delivered stating his opposition to the merger idea.
- Aug 18** • Board Meeting: Board meeting agenda tabled in its entirety to allow member/owners to ask questions and communicate their feelings, both pro and con.
- Aug 19** • Non Binding LOI and merger idea called off by LMFC due to member and staff reaction before the DNF BoD had a chance to explain their rationale for supporting the merger.
- Aug 25** • BoD letter to DNF member/owners that LMFC merger discussion is off
- Aug 27** • Petition for Board to resign circulated through DNF email using DNF resources and staff.
- Aug 28** • The BoD terminates Kimberly Wiggins' employment with DNF and hires Brian Gaddy as the general manager to replace Joshua Jackson.
- September** • Petition backers work on getting signatures. After Pat set up her table at our front door, we offered to cooperate and make room for her table inside the store so our customers were not interrupted on the way into the store. She refused our offer. We then asked her to move away from the front out of respect to our staff and customers who were complaining about her presence there. We did NOT threaten to call the police but did let Pat know she was violating a City Ordinance by staying there without our permission.
- Sept 11** • Board receives the petition pending verification of signatures and compliance of petition language to DNF Bylaws.
- September** • Board Meeting: Attorney retained on behalf of the members (not the Board of Directors) to present his interpretation of our Bylaws at the meeting.
- September** • Nomination Committee formed with representation of both sides of the petition concerns.
- September** • Petition from Root and Pat officially presented to Board of Directors
- September** • Special Meeting scheduled for December 3rd
- October** • Board Meeting: Many DNF Owners attend the meeting which conducts typical Board business.
- October** • Nomination Committee reports that nominations are extended for one week due to email delivery issues. Approximately 8 applications to run for the BoD received in total, however Root Routledge withdrew his application that was submitted on August 18, 2014. Pat Blair did not submit an application to run for the BoD.
- October** • An attorney examines the petition for compliance with DNF Bylaws and finds that it violates the Bylaws. The DNF BoD Member Outreach Committee recommends Mediation, as called for in the Bylaws, with the initiators of the petition to settle the grievances.
- November** • Letter summarizing why the petition violates the Bylaws and asking for a Mediation to be scheduled sent to all petitioners. Staff advised of the letter before it is received by petitioners.

Please contact the DNF Board of Directors with any questions.

board@durangonaturalfoods.coop