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MINUTES OF AN ANNUAL MEETING OF THE  
BOARD OF DIRECTORS OF  
AMERICANS FOR EFFECTIVE LAW ENFORCEMENT, INC.

May 7, 1996

An annual meeting of the Board of Directors was called for 5:00 p.m. on the 7th day of May, 1996 at a Boardroom in the offices of Peterson & Ross, 73rd floor of the building at 200 E. Randolph St. in Chicago. All six voting members of the Board of Directors were sent two written notices advising of the meeting.

Those Directors who were present are:

- \* Fred E. Inbau, Chairman, and
- \* Arthur H. Daniels, Treasurer.

Also present were:

- \* Wayne W. Schmidt, Secretary, and
- \* William K. Lambie, Non-voting Trustee.

Those Directors who were absent are:

- \* Daniel B. Hales, President,
- \* George P. Graves,
- \* Charles A. Gruber, and
- \* Clarence E. Molloy.

The meeting was chaired by Mr. Inbau. Because two Directors constitute a quorum, all motions were passed unanimously.

On the motion of Mr. Inbau, and the second of Mr. Daniels, the Board took the following action:

1. Accepted the written resignation of Clarence E. Molloy as a Director. Mr. Molloy

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indicated he was in the process of further retiring from his insurance business.

2. Reelected the following persons as Directors:

- \* Arthur H. Daniels,
- \* George P. Graves,
- \* Charles A. Gruber,
- \* Daniel B. Hales, and
- \* Fred E. Inbau.

3. Elected Wayne W. Schmidt as a Director, replacing Clarence E. Molloy. Mr. Schmidt explained it would be a

convenience for all other directors if pro forma Board meetings can take place by his visiting with one other Director (and all other directors have been notified of the time, place and purpose of the meeting). He would abstain from voting on matters affecting himself or staff policy, but that a ``technical" board meeting might be needed to sign a document pertaining to our investment portfolio.

4. Elected the following Officers:

- \* Fred E. Inbau, Chairman of the Board
- \* Daniel B. Hales, President
- \* Arthur H. Daniels, Treasurer
- \* William B. Randall, Honorary Vice President
- \* Wayne W. Schmidt, Executive Director, Corporate Secretary and Asst. Treasurer
- \* Lisa M. Hackett, Business Manager and Staff Vice President,
- \* James P. Manak, Amicus Advocate and Asst. Secretary-Treasurer, and
- \* Bernard J. Farber, Asst. Secretary-Treasurer.

5. Reelected the following non-voting Trustees:

- \* Arthur F. Brandstatter,
- \* Don R. Darning,
- \* Tyrone H. Fahner Esq.,
- \* Harry T. Mahoney, Esq.
- \* William K. Lambie, Esq.,

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- \* Malcolm W. Martin, Esq.,
- \* William B. Randall, Esq.
- \* Theodore L. Sendak, Esq. and
- \* Richard N. Williams, Esq.

6. Excused the absence of the following Directors:

- \* George P. Graves
- \* Charles A. Gruber, and
- \* Daniel B. Hales.

7. Approved the Minutes of the meetings of the Board of Directors (or its committees) as follows:

- \* Annual Board Meeting, Dec. 9, 1994 [Minutes, Pp. 448-451],
- \* Special Board Meeting, Apr. 19, 1995 [Minutes, Pp. 452-3] and
- \* Investment Committee Meeting, Nov. 3, 1995 [Minutes, p. 454].

8. Mr. Schmidt (in his capacity as Executive Director) announced the he had granted, to all subordinate staff members, wage and fee increases of 3.5 percent for 1996. Based on prior Board policy, he noted that his base salary automatically increased for 1996, per the end-of-year U.S. ``Consumer Prices-Urban" index; see Economic Indicators Nov. 1995, p. 23.

In light of a pre-depreciation profit of over \$150,000 for 1995, Mr. Schmidt requested his customary performance bonus, in the sum of \$15,000, plus retirement and FICA payments. On motion of Mr. Daniels and assent of Mr. Inbau, the bonus was so authorized.

9. Mr. Schmidt noted our financial sheets reflect that our funds are split between unrestricted and endowment accounts. The endowment account for 1994 and 1995 was unchanged at \$851,756. He suggested the endowment fund be raised to \$1 million, by a fund transfer of \$148,244 in unrestricted funds, effective Jan. 1, 1996. Mr. Daniels so moved; Mr. Inbau concurred.

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There being no further business, the meeting was adjourned at 6:30 p.m., and all participants met for dinner and informal discussion.

*Wayne W. Schmidt*

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Wayne W. Schmidt, Secretary

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