



DEATH & TAXES

a professional company

2709 humboldt avenue
oakland, ca 94602-3663
(510) 533-3962
<http://www.mydeathandtaxes.com>

Board Meeting Minutes: Monday, August 18, 2006
6:30pm PST at Yerba Buena Center for the Arts in San Francisco, CA

Board Members:

Present (in-person): *Allen Spore, Carol Ladewig, Cheryl Meeker, Beth Lisick, Sue Mark.*

Present (via tele-conference): *Stephan Jost, Peter E. V. Allen.*

Absent: *Marcia Tanner, Ray Beldner, Matthew Jackson, Diane Shields, Maria Porges, Sarah Lockhart, Lisa Melandri, Heidi Zuckerman Jacobson, Richard Lee (attorney).*

Quorum present? *No.*

Others Present: *Chief Executive Officer, Isabel Reichert, Chief Financial Officer, Sean Fletcher, Videographers, Alan Tollefson & Whitney Deatherage.*

Proceedings:

Meeting called to order at 6:41pm PST by CFO, Sean Fletcher
Peter Allen did not have the slides to review during the meeting.

Introductions

All present board members re-introduced themselves for the purpose of reacquainting one another.

President's Summary

Board President, Allen Spore, opened the meeting with a brief "thank you" to those board members who have made ongoing contributions to the project. Specifically, he thanked Beth Lisick for assisting the company in improving the grocery shopping habits and organizing the kitchen cabinets. He also thanked her for coordinating the fresh fruit delivery from The Fruit Guys. Allen thanked Ray Beldner for setting up the appointment with Trillium Press, and Sue Mark and Maria Porges for holding a Business Development Sub-committee meeting (more on this later). He thanked Peter Allen, Lisa Melandrie, and Matthew Jackson for coordinating the Marketing Sub-committee meetings and for their assistance in developing the press kits. (Each attendee received a sample press kit and a copy of the First Quarterly Report at the meeting.)

He thanked Marcia Tanner for writing an article for the First Quarterly Report. He also thanked Cheryl Meeker for her assistance in editing and proofreading the report.

Finally he thanked Stephan Jost for his advice and assistance, and thanked himself and Sean Fletcher for holding the first Finance Sub-committee meeting and discussing a better format for reporting financial data.



Then he issued a general thank you to everyone for their continued support and turned the meeting back over to the executives.

Executive's Summary

CFO, Sean Fletcher reviewed the agenda for the meeting.

Update on 2nd Quarter Activities

CEO, Isabel Reichert reviewed what happened during the second quarter. She said the emphasis was on Marketing, and that Marketing could be a full-time job. The company's goal was to generate some publicity for the project. The culmination of the efforts was the completion of a press kit, which she noted was in need of additional feedback from the board.

Reichert said that both Lisa Melandrie and Matthew Jackson believed the kit should contain as much information as possible. She reviewed the contents of the packet: a publicity photo, a coverletter, copies of all press releases, press photos of events, board member biographies, the financial highlights from the first quarterly report, an audio CD which contains an excerpt of the interview with Raymond Miles, and minutes from the first board meeting.

Reichert also noted that the "double sided printing" would save on paper costs and postage.

Fletcher noted that if anyone on the board wanted additional copies of the press kit to pass along to someone else, they need only ask and the company would provide them.

Reichert lauded the quarterly report and outlined its contents as well.

Reichert went on to describe some of the other events that occurred during the second quarter. She mentioned that The Fruit Guys delivered a box of "high-art fruit" and she was very appreciative of Beth Lisick having coordinated that effort. The Fruit Guys are a fresh fruit delivery service that delivers fruit to corporate offices throughout the Bay Area -- as a snack for employees or to serve during meetings.

Fletcher pointed out that the value of the box would be reportable income to the corporation and was valued at around \$60.

Reichert said that Lisick came to their house to organize the kitchen cabinets. Part of this process involved pulling out non-perishable food items (canned goods, dry goods, and frozen foods) and taking stock of those things that may have been overlooked when shopping in the past. Cataloging these items helped the company organize a menu for the following two weeks and a shopping list of only truly necessary items. Reichert said the "menu-driven shopping process" has been used by Death & Taxes, Inc. since Lisick's visit and has eliminated much of the impulse purchasing that went on in the past.

Reichert also mentioned that the company joined the Oakland Chamber of Commerce in the month of April. This was a performance as well as a networking opportunity for the executives. The cost of the membership was \$350.



Fletcher pointed out that Matt Volla, another artist, helped document the performance and cost an additional \$200. He said that the president of the chamber was not inclined to allow Matt to videotape, but that he was still able to collect a substantial amount of valuable video footage.

Allen Spore asked if there was any kind of review process or entry requirements to join the chamber. Fletcher answered that there was basically only a membership fee to join. He said that the membership director, Veronica Young, was much friendlier and accommodating after the company gave her a check.

Spore also asked about what happens to the video documentation that was collected during the meeting. Reichert explained that she intends to create a documentary about the project with the video footage.

Spore asked if Raymond Miles would be interested in participating in the documentary. The executives weren't certain. Fletcher said that the new relationship with Jim Philapot would also make an excellent addition to the documentary (more later). Reichert said she would like to postpone the conversation until later, and that it was important to her that everyone feel comfortable with how they are portrayed in any documentation collected.

Another accomplishment was the visit to Trillium Press. Trillium Press helped brainstorm about the quarterly report and suggested that it be a boxed edition. Sue Mark asked if they would be helping us out with the quarterly reports. The executives answered, no. They said that the vision of Trillium Press wasn't really in alignment with the vision of the executives of Death & Taxes, Inc.

Fletcher and Reichert struggled to put into words why they felt this was so. Reichert said that the suggestions Trillium Press made were mainly to create more product marketing things, such as having pens, cups, and T-Shirts made with the company logo as a way of making money. She said this was something that the two artists had "ruled out" early on, and it was difficult to explain to the Trillium Press team.

Reichert went on to describe her trip to Germany. She explained that she gave a lecture in Berlin about Death & Taxes, Inc. She said that she visited with several museums and galleries while she was there and heard excellent feedback on what she showed them. She said that she isn't sure where these meetings will go, but that a gallery in Homburg offered Fletcher and Reichert an exhibition in either 2007 or 2008 that would travel from Homburg to Stuttgart.

Fletcher concluded this portion of the meeting by saying that another big accomplishment was the formation and initial meetings of the board sub-committees. He said they would elaborate on these meetings later.

Finances

Fletcher began the Finance report by saying that the good news would come first. He said the couple's net worth rose by 2.08% during the second quarter of the year. He also said that the



company earned income in the second quarter: \$60 worth of fresh fruit as well as \$175 from Stanford University for an annual subscription to the quarterly reports.

Fletcher said the bad news was that costs had gone up significantly in the second quarter. Fletcher reported that those costs included a citation of \$250 for “parking in a bus zone”. He said he received this ticket while attempting to pick up a passenger in front of the West Oakland Bart Station. Although he did his best to contest the ticket he was turned down.

Other costs included videotaping and documentation. Fletcher said he was surprised by how much they were spending on assistance in videotaping events, like the chamber of commerce. He also mentioned that other services associated with documentation, such as babysitting, was a surprise when the final numbers were tallied at the end of the quarter.

Although not directly related to the project, hiring a paparazzi photographer was also an expense that impacted the couple’s budget.

Fletcher noted that the couple was able to maintain a balance of \$2,250 in the Death & Taxes, Inc. corporate checking account at the end of the second quarter. The couples’ retirement accounts went up due to successful investment management despite mediocre stock market performance.

Fletcher also noted that a new property tax bill arrived in which the value of 2709 Humboldt Avenue had been reassessed. The new value was 2% higher than the value reported last quarter, and Fletcher said this represented the largest explanation for the increase in the couple’s net-worth between the end of March and the end of July.

Finally, Fletcher said the couple’s liability had gone down since the project started. This is largely because of additional payments that Fletcher has been putting toward the debt management plan.

Fletcher then reviewed the budget, in light of recommendations made at the Finance Sub-Committee meeting. The presentation of the budget now lists the approved expenditure, the year-to-date expenditure, and the anticipated annual expenditure. It also combines several budget line items into categories. Fletcher said that the most significant things to report in the budget were the higher than anticipated “primary residence” costs, the higher than expected “food and clothing” expense, the higher than expected “loan payments”, the “other expenses” that include photo-documentation and professional services -- basically “art expenses” that were not a part of the original budget, and the lower than expected “child care expense”. Fletcher reported that the couple’s daughter would be attending public school in September and this would trim a large part of the child-care and education costs the couple had experienced in prior months.

Fletcher explained that the primary residence costs were owing to the larger property tax bill and could not be helped. He also said the food and clothing bill was underestimated, but the assistance from Lisick would help contain this cost throughout the remainder of the year.

Spore said that the loan payments were more of a balance sheet item than a budget item, since the loan is outlined in the balance sheet. He asked Fletcher what the motivation was for paying more



toward the debts than he initially planned. Fletcher said it was an emotional decision. Spore also asked if the payments are “pro-rated,” allowing them to pay less in the future. Fletcher explained that he could pay as little as \$400 a month, but the additional payments are not prorated.

Spore suggested that it may be better to make the additional payment at the end of the year rather than every month. He recommended to stop prepaying the loan and pay only the minimum, and to run some numbers as to how much it would cost to postpone making additional payments until the end of the year as opposed to paying an additional \$200 per month toward the debt. The Finance Sub-committee will approve the plan over the phone.

Fletcher also explained that Lucy’s clothes made up the bulk of the clothing budget. Reichert indicated that the couple was doing more second hand shopping to improve this part of the budget. One example was the suit Fletcher wore to the meeting. Fletcher purchased the Harte Shaffner Marx business suit for \$40 at a thrift store on Fillmore Street and spent another \$40 to have the pants taken in by a tailor.

Reichert wanted Fletcher to explain his projection for “Food and Clothing” expense. Fletcher said he doubled the expense from the first half of the year and rounded down to account for their consciousness of the situation.

Sue Mark said she would help by referring them to more second hand clothing stores.

Fletcher asked Mark if her husband Bruce, who was an engineer for PG&E, would be willing to come by and make suggestions for cutting gas, electric, and water usage. Mark felt he would, but not until later in the year.

Spore asked if the “revenue” was outlined similarly to the “expenses.” Fletcher affirmed this and went on to explain that the two artists had earned less in the second quarter than they had in the first. In fact, Fletcher reported that the couple actually spent more than they earned in the second quarter, although they earned more year-to-date than they spent. Spore repeated that the line item for debt reduction should not be included as an expense, and that the savings in preschool expenses really offset the cost outlined in the “Other” category.

Reichert said that the second half of the year would be more difficult than the first. She didn’t teach over the summer and would be earning less in the fall than she had in the spring. Part of the reason for this was a change in jobs. Reichert will be teaching for Laney College instead of DVC, a move that will result in a loss of benefits and less money.

Meeker said there were positives, such as more free time to work on the business.

Reichert said she would be submitting applications to CCA’s graduate department to see if some classes could be taught there. Reichert wants Fletcher to project the income for the fall and forward it to the finance subcommittee.



Stephan Jost needed to leave the meeting, but wanted to comment on a couple of things: He suggests an “Executive Evaluation” in which the board can evaluate the couple’s performance over the first six months in a written form. He said the board should also include itself in an evaluation. Part of this process, he thought, would be to generate more documentation about what the board has learned from participating in the project. He said he would forward the evaluation materials they use at the Shelbourn Museum to aide in this process.

He also wanted the board to discuss how Death & Taxes, Inc. could make better use of the house and the car for corporate development. He likened this to corporations using a private jet or a yacht for entertainment purposes. He thought a good goal would be to hold a Halloween party or a Christmas party at Death & Taxes, Inc. headquarters.

Jost apologized for having to end the call early but had to hang up.

Fletcher finished up the Finance Report with a graphical depiction of the increase in the couple’s net worth since the start of the project.

Third Quarter Priorities

Fletcher indicated one priority would be to have an intern. He said that data-entry into Quickbooks, collating copies, and stuffing press kits was a drain on their time that prohibited them from doing more in the second quarter.

Fletcher said that distributing press kits to get some publicity for the project was a big priority for the third quarter.

A third goal, Fletcher said, was finalizing a business plan as some of the documentation that would be left over from the piece. Fletcher described the meeting with Jim Philapot from SCORE. SCORE is a volunteer organization that pairs retired business executives with small business owners. Mr. Philapot is the founder of the Speedy Oil Change franchise, and he has agreed to help Death & Taxes, Inc. in a coaching role for the next few months. Mr. Philapot agreed to be documented on video as part of the project.

A fourth goal is to finish the second edition of the Quarterly Report. Reichert agreed that this would be a very exciting issue of the report. She said that Leah Modigliani agreed to submit an article, Jodan Essoe also is submitting an article, and hopefully the management discussion will be a conversation with Helen Meyer and Newton Harrison.

Reichert also mentioned that the writers group would be held on August 25th at Death & Taxes, Inc. headquarters. She extended the invitation again to anyone who wanted to attend.



Sub-committee Reports

Because Board Vice President Maria Porges was not in attendance, Sue Mark reviewed what was discussed at the Business Development Sub-Committee. Mark said that they discussed the use of multiples to raise awareness about the project. Specifically, she said that the company should produce a portable desk set. She said the desk set should contain pens and coffee mugs with the Death & Taxes, Inc. logo, but also unique items like a tin of Savarin Coffee, a blotter, a CD with an audio/video of Lucy telling a story (so that the owner of the desk set could take a coffee break while listening to a story), and a registration card that would be sent to Death & Taxes, Inc. in return for a surprise (a letter or something authentic). The desk set should be packaged in something that could be sold or distributed as part of an exhibition.

Another discussion at the Business Development Sub-Committee meeting was the company picnic. They agreed it should be held at the house instead of a remote location like the Headlands. They felt that it should have a presentation of charts and graphs about how the company is performing, but it would be more site specific and cost effective to do it at our house rather than another art venue.

Mark said that Porges also thought a focus would be a public lecture circuit to enhance the visibility of the project. This may also bring in revenue.

Reichert complimented Mark on the ideas and wanted to correct the criticism stated earlier about making pens and coffee mugs. Reichert said she rather liked the idea of a desk set.

Spore said that the public lecture idea also came up in the Marketing Sub-committee meeting and that the audience could be expanded to Lyons, or Rotary club meetings, even business schools.

Reichert said she hoped the press kit would increase visibility.

Fletcher described the Marketing Sub-committee meeting. He said the bulk of the conversation was around the press kit. He repeated that if anyone wanted more copies they should ask. He listed some of the people on the press list and said that it included people in business press as well as art press.

Reichert commented on the cover-letter and noted the bold-faced type in some of the sentences. She said this idea came from the Republican junk mail that comes to their house.

Question and Answer period

Spore asked whether the suggestions from the Business Development Sub-committee would be delayed until after hearing some responses from the press kits, or if the company should be moving ahead with those suggestions right away.

Reichert said that she was keen on doing more public lectures right away. She said the desk set deserved a longer conversation. She thought it would make a great project but she wanted to talk more about it.



Spore asked if the lectures would produce some revenue.

Mark said that they typically pay around \$100. Fletcher said that when speaking for Kiwanis, or Rotary, or Lyons clubs the speakers are usually not paid for their time, except for a free lunch and sometimes a complimentary membership. He said that Death & Taxes, Inc. made \$100 for the lecture at CCA in the first quarter. Mark clarified that CCA did not give a free lunch.

Spore felt there wouldn't be much revenue generated from the quarterly reports. Fletcher said that there was some marketing mileage from the reports, however. Reichert agreed that the reports have been useful. She said that she's traded them for contributions to the report. Leah Modigliani, for example, agreed to write an article in return for a copy of the report.

Spore asked for clarification, however, whether the focus in the next six months should be on generating revenue or expanding on public awareness. Reichert and Fletcher both felt that publicity would be a priority over revenue, since revenue is so much less likely. Spore agreed that product, like the desk set, would require upfront capital.

Mark said there should be overlap between the products that we create and the publicity that we generate. She felt that generating product could help to increase publicity. Carol Ladewig agreed with this statement, and suggested creating a prototype as a more cost effective way of using the product to generate publicity.

Cheryl Meeker wanted to know if we thought about making the press kit look "slicker." Meeker said the folder was "cheaper looking" than other press kits she's seen. She compared it with the "01" folder she received for the San Jose art and technology show. Spore said that there should be a cost consciousness to anything done on a mass-produced level. Reichert said the folder was one of the more expensive folders they reviewed, and the report was done on relatively expensive paper, too. (Mark said that Piedmont Copy was very appreciative of her referral, a remark implying that the copy job wasn't "cheap".)

Meeker clarified that she felt the cover should be embossed or printed, as she thought she would find from a corporation. She said an alternative would be a "home made" folder with heavy paper and some inexpensive silk-screening.

Ladewig felt this was a good idea, but commented that it would be extremely time consuming to create the folders by hand. Ladewig thought that time-management would be more important than cost management because there are so many other projects to explore.

Fletcher admitted that the two of them were rather naïve and weren't sure what people usually sent to the press. He asked Meeker if this was an obstacle for her. Meeker said it wasn't, and that it was more of an image that she thought the company should portray.

Ladewig said she would run it by her daughter, who works in public relations, to get some feedback.



Mark recommended looking at a company called the Depot for Creative Reuse in Berkeley. This company gets office supplies from other businesses that have gone under and re-sells them. Isabel took note of this and said she would investigate it. Mark thought this recycled image might work well for the project.

Ladewig indicated that the slickness, for her, was adequate for the nature of the project.

Spore suggested selling “power play-dates” with Lucy.

Meeker suggested that, in addition to a documentary, the project could culminate in a book.

Adjournment

The meeting was adjourned at 7:59pm.