

To the members of Kanar,

Earlier this year, a Judicial Review Board was brought forward for the August Board of Directors Meeting. During a routine audit, as part of the Treasurer's SWI, substantial evidence was found of inappropriate spending by the then Game Master, which prompted further review and subsequently a request for the JRB.

The purpose of a JRB is NOT to automatically pass judgement, but rather to open discussion with an individual to see if a grievance has merit, and if so, what an appropriate resolution would be. During the August meeting, when the JRB was first opened, the board attempted a conversation with the then Game Master to figure out what these seemingly inappropriate items were, and if they had a reasonable explanation. We were not able to discuss the items at all, as the individual stated he had "been advised by legal counsel to not speak on the matter". Unable to continue, the JRB was placed on hold until October's meeting.

Between August and October the Board sought legal counsel to determine what KGE was and was not legally required to do, as well as seek advice on what appropriate actions should be taken. During the October Board Meeting, the JRB was continued. It was made known that the individual was still acting under their legal advice to not discuss the matter, and we were left only to look at hard numbers, existing receipts, and official discourse and advice that had been given to us by our legal council, as well as commonly held operating procedures for these types of situations both for nonprofits and businesses.

It is unethical, inappropriate, and unprofessional for any member of any Board of Directors to make decisions based on hearsay, word of mouth, unofficial communication, and/or personal relationships (whether they are positive or negative), and we can confirm our actions were not driven by anything outside of our duty to KGE and its members.

The evidence that the board was left to look at painted a very troubling, but clear picture; a staff member, who had been entrusted with a substantial budget, seemingly purposefully purchased a significant amount of items for personal use and/or gain, and then when they were confronted about it, sought legal aid which forced KGE to secure their own for the protection of the club.

In regards to the seating of the new board member: per our bylaws (article V-5.4) the President and Secretary have the ability to shift around items on meeting agendas, and the seating of the new board member was put after the JRB. There was unanimous agreement that it would be unfair to both the new Board member as well as the defending party to have a new person, who wouldn't have even been sworn in for 5 minutes, be forced to make a snap judgment on something that had been going on for over 3 months. Likewise, the evidence and minutes of the JRB were privileged information, and were not something that any new Board candidates would have access to until they were sworn into their position, nor would there have been sufficient time to review the information within the timing of the board meeting without delaying proceedings by many hours

We realize that these statements will not appease everyone, and the nature of this process has always been very polarizing. It is always our intent to proceed with thoughtfulness and integrity, so that the changes we make today positively affect the future of this club and its membership in every way we can foresee. We greatly appreciate the patience you have displayed while we sort through the intricacies of this decision, and we sincerely hope it is clear how seriously we've taken the matter. These decisions did not come quickly or easily to any of us, and were based in evidence, not emotion. There is no better time than right now to start raising the bar, to look at behavior and say that it is not acceptable and should be stopped, and to realize that if we all work towards it then we can be better and do better in the future.

Thank you for being part of our community, and sticking with Kanar even when things are incredibly tough and confusing. Please be well, and stay safe and healthy.

- Kanar Gaming Enterprises Board of Directors