

IFN Follow-up General Body Meeting Questions & Answers:

Date: 05-13-18.

- 1. We agree that the decision to give the loan could have been done differently, why was the financial transaction not shared in the EC/BOT Meeting update.**
 - a. The financials shared with the community was a summary, not detailed lines. For example, the \$30,000 Syria Food Drive was also not presented in these updates. We will revert to giving more details in the future, inshaa' Allah. However, anyone can stop by the EC office to see the detailed financial spreadsheets.

- 2. The leader sets the example of how the organization behaves and values its exhibits. Do the actions of the BOT chairman set the right example?**
 - a. The BOT chairman has acknowledged his shortcoming in handling the \$40,000 payroll advance. He has taken full responsibility, has apologized, and offered his formal resignation.

- 3. Ramadan is a month of work and most memorable events in Islamic history took place in Ramadan. Let's not use this month to push the work off the table.**
 - a. The EC has a lot do in Ramadan, so work is still being done: security, arranging for Iftar and Suhoor, arranging for speakers, arranging I'tikaaf, preparing for Zakat El Fitr and Eid, and Fund Raising.

- 4. Are we sure the community is ready to take on a multi-million-dollar project that the community cannot afford?**
 - a. We believe we have been blessed with a dedicated community. If five hundred members can pledge \$167 a month for the next four years, we will make it inshaa' Allah. That's without counting private donations.

- 5. After hearing Sr. Fehmida and Sheikh Fahmy, it is clear the \$40,000-dollar loan was not right, and a mistake happened, even though it was not for any person's gain. Resignation of office bearers is out of question. This was a mistake and EC should learn a lesson and not repeat it. No resignation is required.**
 - a. Jazak Allah Khair. Comment recorded.

- 6. There should not be any loaning from IFN to anyone.**
 - a. We will work to put a loan policy in place.

- 7. Do we keep operating this way since it is "how it was done" (to Sheikh Fahmy)?**
 - a. This question was addressed to Sheikh Farid and may have been answered on premise.

8. BOT members involved accepted responsibility and apologized. However, the treasurer did not? Is BOT concerned with that?

- a. The Treasurer is an elected EC member. Please refer to his separate response (as an appendix, at the bottom of this document) as to why he has not accepted the responsibility of this mistake and apologized.

9. I heard treasurer did not accept it as a mistake like other BOT members, what is your say about this.

- a. Same as Question 8 above. Please refer to his separate response (as an appendix, at the bottom of this document) as to why he has not accepted the responsibility of this mistake and apologized.

10. If BOT members resigned, we should put motion that treasurer should also resign. It will be up to the community to accept all resignation?

- a. There is no specific text in the bylaws for resignations. However, one tenth (1/10) of the community can request a special meeting at which the sole agenda will be the resignations. At that meeting, a binding decision is made by a simple majority vote.

11. I would like to put a motion on the floor to accept or reject their resignation. The general body should have a say in this matter.

- a. There is no text in the bylaws that states spontaneous motions to introduce new agenda items can occur at GBMs (first or follow-up). The agenda for the 5/13/2018 GBM was only a continuation of the first GBM held on 5/6/2018. However, any member of the community can request a special GBM by obtaining 1/10 endorsement from the total members of the general body. At that special GBM, the general body can vote to accept or reject the resignations.

12. If BOT members already resigned can we put motion to board for accepting their resignation?

- a. See answer # 11 above.

13. We need more clarification on construction project since lot of gaps in our processes and transparency.

- a. The Construction Committee, BOT, and EC have been working on this project since 2016. The BOT presented the Master Capital Project Plan to the community in the GBM held on August 28th, 2016. An additional Town Hall was subsequently held to explain the project in detail and clarify any questions that any community member may have. The BOT presented the project again in the next GBM and sought an approval for Phase 0, which the community approved.

The Phase 1 of the project was presented to the community in the GBM of November 2017, followed by two Town Hall meetings to explain the project in as much detail as possible and clarify any questions from the community.

The Phase 1 was represented again in the GBMs held in May of 2018.

Please refer to the presentations and Q&A on this subject on IFN's website, available here: <http://ifnonline.com/page-1860134>. If that does not answer the question, please be specific as to what gaps there are. We will address them accordingly.

14. Let us keep unity during the Ramadan month.

- a. Inshaa' Allah. We have no intention of dividing the community.

15. If respected brothers in the BOT resigned which is really made good decision to show that they are responsible. I think the resignation should take effect to set precedence. We need to show that we are respected organization and regain the trust of the people.

- a. The other BOT members have not accepted the resignations yet. They will review them and make a final decision after Ramadan.

16. What is the big picture objective of the capital project?

- a. To have a multipurpose building that can be used by our youth for sports, can be used for special occasions, can be used to add up to 21 classrooms and a library for our school. We hope to attract more youth to the IFN campus with the capital project.

17. Can you explain in detail what the \$350,000 phase includes? I m interested in specific breakdown of costs.

- a. The actual amount for Phase 1 is \$300,000. Phase 0 amounted to \$30,000. We held two Town Hall meetings regarding this subject. The presentations are on IFN's website and were also sent to the community newsgroup.

18. If board members resign, why bother having other board members decide whether to accept or not? Why can't they simply step aside and get re-elected in November?

- a. There are no specific sections in the bylaws addressing resignations. The BOT members were elected by the community to make decisions on their behalf. Let us let the remaining BOT members deliberate on the the resignations. If their final decision is not satisfactory to the community, one tenth (1/10) of the membership can request a special meeting at which the sole agenda will be the resignations. At that meeting, a binding decision can be made by a simple 51% affirmative vote on the topic.

19. Payroll advance is for one pay period, not for year - Thank You.

- a. Comment recorded.

20. Trust, Respect, and Behavior.

- a. This was followed up by an on-premise comment from Sr Khaudeja Bano.

21. Do we really think that if something happened to the Imam, we would take his house? Of course not, so it is not reasonable.

- a. How do you know we will not exercise that option? Contracts we enter into are fully binding in Islam, regardless of the circumstances. However, we do not want to speculate on this, may Allah (SWT) preserve our Imam.

22. Does the legal document used for the transaction calls it Loan? 401 K loan is money already paid to employees it is not the same?

- a. Yes, it is a loan on the legal document (the “Promissory Note”).

23. To me it seems like the matter has been resolved and now there is a need for internal change, why is resignation necessary?

- a. The resignations were submitted in the hope that they will bring unity in the community, and that a better leadership team can move IFN forward.

24. Capital project approval, sending text and email is accepting approval through email and Txt is this in Bylaws for approval, of the capital project?

- a. **Bylaws Reference:**

Section 3.3 “Each member over the age of 18 years shall be entitled to vote on matters submitted to the General Body, provided the member 3.3.1 has been in good standing for one (1) year and 3.3.2 has met all membership dues requirements no later than the 31st of March of the given election year.

Section 6.4.1 “Members eligible to vote, as defined in Section 3.3, may vote by proxy or absentee ballot via electronic vote under Section 7.4.1 which includes the name of the voter.

Section 7.4.1 “In addition to voting on paper ballots or in person, any amendments to bylaws, voting for elections, or the like may be voted on using electronic voting methods such as emails or surveys.”

25. How do we ensure the next elected person does not make any mistake?

- a. It is impossible for a human not to make any mistake. However, additional policies will be put in place regarding loans.

26. They are responsible adults, on which basis they made the transaction of the community money?

- a. The transaction was financially sound, and it was recorded in the books. Since there is no formal loan policy in place, the BOT will consider the option of having the officers loan money back to the restricted funds until the payroll advance is fully collected. This requires a motion from the board followed by a promissory note to be drafted by the IFN attorney to the individuals loaning the money back to the restricted funds. This will be on the agenda of the next board meeting scheduled after Ramadan.

27. I feel this can be a turning point for IFN and we refrain from doing things behind the communities back and try their best to be transparent.

- a. Comment recorded.

28. What will you do to earn the communities trust?

- a. Trust has been broken and must be earned. The responsible parties have submitted their formal resignation to allow a trusted team to take over.

29. Respect for women in BOT and EC.

- a. Please rephrase this question or comment.

30. Will the process be updated about resignations in the bylaws, since there is no process at this time?

- a. Bylaws can only be changed with the participation of the General Body (GB). If the GB does request a change, we will work toward that aim.

31. We have a rule of getting 3 bids for all projects over \$5,000 dollars. We have not been following this rule. WHY?

- a. There has been no bidding on the Capital Project so far. No construction has started. The bidding process will be followed.

32. Sheikh Fahmy raised a valid point – electronic voting is only for election per by laws. So why are we voting on a capital project will the vote be valid.

- a. The bylaws do not restrict electronic voting to elections only: “In addition to voting on paper ballots or in person, any amendments to bylaws, voting for elections, or the like may be voted on using electronic voting methods.”

Reference:

Section 3.3 “Each member over the age of 18 years shall be entitled to vote on matters submitted to the General Body, provided the member 3.3.1 has been in good standing for one (1) year and 3.3.2 has met all membership dues requirements no later than the 31st of March of the given election year.

Section 6.4.1 “Members eligible to vote, as defined in Section 3.3, may vote by proxy or absentee ballot via electronic vote under Section 7 which includes the name of the voter.

Section 7.4.1 “In addition to voting on paper ballots or in person, any amendments to bylaws, voting for elections, or the like may be voted on using electronic voting methods such as emails or surveys.”

33. Seeking approval @ reduced quorum strength in second GBM is allowed? But at the same time someone making a motion is not allowed? And is that stated in by-laws? please help clarify this point to specific mention of the same in BY-LAWS.

- a. Yes, the second GBM is merely a continuation of the first that was held on 5/6/2018. An agenda for the GBM must be submitted to the General Body before the meeting. We did so before the first meeting on 5/6/2018. The agenda was the same for the 5/13/2018 meeting. No new agenda items can be introduced at the second GBM. Otherwise it would be very easy to take over the GBM with new agenda items motioned on the floor.

Reference: “6.3.1 Quorum at any regular or special General Body meeting shall be determined by the physical presence as defined in Section 6.3.3, of one third (1/3) of the total number of Members as defined in Section 3.2, as well as at least three (3) members of the Board of Trustees, and two (2) members of the Executive Committee.

6.3.2 In the event a quorum is not met, the Secretary of the Board of Trustees shall determine the date and time of a subsequent meeting not to exceed two (2) weeks thenceforth and notify all Members of the same.

6.3.3 At the rescheduled meeting, quorum shall be met by the physical presence of one sixth (1/6) of the total number of Members as defined in Section 3.2, as well as three (3) members of the Board of Trustees, and two (2) members of the Executive Committee. All decisions resulting from such meeting are official and binding on IFN.

6.3.4 Physical Presence shall be defined as having actual, physical presence at IFN on the day of the election, an absentee ballot or proxy under Section 6.4, or via electronic vote under Section 7.4.1 which includes the name of the voter.”

34. The BOT either intentionally or unknowingly claims that the GYM is a higher priority. Per the IFN strategy work, it is # 8 on the top 10 priorities. The first 7, have not been done yet.

- a. We will review this document.

35. Morgue extension is riddled with problems, blue prints don't exist, basement is leaking. Who is going to guarantee new project is done right?

- a. We are ready to work with professionals on auditing the Capital Project as it progresses. If you are aware of problems with the morgue, please bring them to the attention of the

EC, they will reach out to the Maintenance Committee for immediate action once the problems have been identified.

36. The few phases discussed have a price tag. Please share the three estimates we obtained.

- a. We are only focusing on Phase 1 at this point. We have shared the details in two Town Hall meetings. Presentations are available on IFN's website.

37. Since the GB cannot have a say on the resignation today, can we have it on Agenda of the next GB meeting.

- a. The remaining BOT members are deliberating the resignations. If they accept them, there will be no need to wait for another GBM. Also, any member of the community can request a special GBM at any time by obtaining 1/10 endorsement from the total members of the general body. At that special GBM, the general body can vote to accept or reject the resignations.

38. For capital project's viability, it would be nice to put forward a 10-year cost/expenditure and income analysis, for the community to see. Hope this will make sense.

- a. Comment recorded for review by the BOT for further action.

39. What is the plan for operating expenses once we build the project?

- a. Comment recorded for review by the BOT for further action.

40. IFN is 14 years old and many systems will need replacing/update. Two of the 17 furnaces are out. We need to change all of them in next 2-3 years. And each will cost \$5,000 – \$10,000. How can we afford this?

- a. Comment recorded for review by the BOT for further action.

41. How are BOT board meetings documented, and how are they shared with community?

- a. We sent Q1 2018 updates of work the BOT is doing to the community via email and posted it on our website. There is an entire section on the site for the Board of Trustees. Here's the section on meeting minutes: <http://ifnonline.com/meeting-minutes>.

42. Why are we waiting for Ramadan to finish? When it was a mistake, electronic transaction makes it suspicious. If it is a mistake we should stop here, there is something move?

- a. Electronic voting is an acceptable form of voting on General Body matters per the bylaws. See the provided reference to Question 33.

43. If officers accepted there was wrongdoing, they are not fit for leading the community. If we can't trust the leaders, how we should vote for 4-million-dollar project?

- a. No officer has accepted “wrongdoing” but they accepted making a mistake. In the voting process for Phase 1, there is an option on the ballot to reject the project for those who do not feel comfortable with it yet.

44. If there are no consequences, what guarantees future adherence to policies?

- a. Once policies are in place, they must be enforced. The responsible BOT members have offered their formal resignation.

45. I wish we were this passionate on other issues that we are faced with. For ALLAH’s sake “move on”. Let us prepare for Ramadan.

- a. Jazak Allah Khair.

46. A huge damage has been done regarding trust. What are the steps we are taking to regain the trust?

- a. The responsible members have resigned, to allow the BOT to select new leaders to move IFN forward.

47. Regarding the project, we need to think, for ourselves. Am I committed to give \$ 2,000 a year for next 4 years. If the answer is yes, then we should go ahead.

- a. That is correct. A \$167 a month commitment, without counting on any private donations.

48. If we want Allah to forgive our sins during the coming month of Ramadan, I request all of my fellow brothers and sisters to forgive the respected officials and move on. To expect to be forgiven, we need to also forgive others.

- a. Jazak Allah Khair.

49. I do not agree with the idea of elected members resigning. It will scare others including me to serve. The general body should be given a voice in the resignation decision.

- a. One tenth (1/10) of the community can request a special meeting at which the sole agenda will be the resignations. At that meeting, a binding decision is made by a simple 51% affirmative vote.

50. I do not feel the resignations should be accepted. It was not a good idea to ask for it in the first place. Thanks.

- a. Jazak Allah Khair.

51. Sheikh Azmy suggested that TWO members of BOT should remain during the entire phase of project.

- a. Comment recorded for review by the BOT for further action.

Appendix: Treasurer's Responses

1. I heard treasurer did not accept it as a mistake like other BOT members, what is your say about this.
2. BOT members involved accepted responsibility and apologized. However, the treasurer did not?

The Treasurer is not at mistake because during this protracted process of deliberation of this advance to the Imam beginning in February 2018, the Treasurer was busy with: 1 Tax Filings for his clients and 2 Filing SEC Form 10-K for his employer. He was simply copied on the email related to the performance of the Due Diligence by BOT officers in conjunction with the IFN attorney and the EC President, albeit, he had cautioned the decision makers during the initial stages of these deliberations. As the Treasurer was overwhelming busy, he had to overlook these emails after his earlier cautioning on the matter until March 13th 2018 (around the filing due dates for Corporation Taxes), when the EC President reached out to him about the Decision to disbursed, embedding an email by the IFN Attorney to proceed with the disbursement.

At that point, the Treasurer opened the email loop related to Imam Azfar's Advance and found the Cadence # 5 for him to comply (through the EC President) in the 8th March 2018 email from the BOT Chairman



Masood Ahmed <ahmed.masood@gmail.com>

to Jaseem, Zaki, Syed, me, haris.jamil, Diallo

Br Jaseem,
I am ok with the letter.

Next steps

1. Change 3 years to 12 months in the letter.
2. Get payoff note from Imam Azfar
3. If payoff amount is greater than 40K ask Imam Azfar to wire the difference and produce the payoff letter for 40K.
4. Sign the paperwork with Imam Azfar.
5. Wire transfer the payoff amount directly to the loan company.

On March 17th, 2018 the IFN Attorney inquired again about the payment status of the Advance to the Imam (Verbatim below):

Can I get the status on this? I need to know when I should record the mortgage. Has IFN sent out the check to the Imam's lender? On my end, I have the promissory note (I still need IFN's signature - but that's a technicality) and the mortgage - which I will record as soon as you confirm you have sent the money. I have attached copies of both here.

Therefore, the Treasurer went ahead and consummated the Transfer to the Lender directly:

1. The advance was collateralized over 3 times by the value of the residential property mortgaged by the Imam;
2. Based on the expectation that the IFN Attorney mandating transfer of money to the Lender has ensured compliance with Bylaws (which should have included consensus of the BOT on this decision per clause 4.3.6.2 of IFN Bylaws elucidated below) as well as adherence to 501 (c) (3) stipulations;
3. BOT Chairman's Cadence elucidated above on the expectation that the BOT consensus on this decision per clause 4.3.6.2 of IFN Bylaws elucidated below has taken place;
4. EC President's email of March 13th 2018 letting the Treasurer know it is safe to transfer after the EC President instruction to the Treasurer to send the money to the Lender, thereby adhering to the following mandate from the Bylaws (4.4.8.7) for the Treasurer:

4.4.8 RESPONSIBILITIES OF THE TREASURER OF THE EXECUTIVE COMMITTEE

- 4.4.8.1 Maintain all financial records pertaining to the operation of IFN.
- 4.4.8.2 Develop and maintain sound financial practices.
- 4.4.8.3 Serve as a financial advisor to the President.
- 4.4.8.4 Prepare annual operating budget to be submitted by the President to the Board of Trustees for approval.
- 4.4.8.5 Serve as member of the Finance Committee
- 4.4.8.6 Responsible for the timely preparation and filing of all documents required to satisfy the accounting needs of IFN in accordance with Generally Accepted Accounting Principles and any applicable provisions of the Internal Revenue Code, and federal or state law.
- 4.4.8.7 Perform any other duties assigned by the President.

The following email from the EC President leads to the adherence of Clause 4.4.8.7 of Bylaws:



Jaseem Anwer <jaseemanwerifn@yahoo.com>

to me

FYI

Sent from my iPhone

Begin forwarded message:

From: Zaki Anarwala <zaki.anarwala@zmalegal.com>
Date: March 13, 2018 at 9:29:34 AM CDT
To: Jaseem Anwer <jaseemanwerifn@yahoo.com>
Subject: Re: Personal Guarantee Form (Azfar Uddin)

Unless you're worried it will bounce.

Zaki M. Anarwala, Esq.
Principal Attorney
ZMA Legal, A Professional Corporation
500 Lake Cook Road, Suite 350
Deerfield, Illinois 60015
[\(312\) 929-8334](tel:(312)929-8334) direct
[\(312\) 929-5140](tel:(312)929-5140) fax
[\(847\) 226-6140](tel:(847)226-6140) mobile
zaki.anarwala@zmalegal.com
www.zmalegal.com

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On Mar 13, 2018, at 9:19 AM, Jaseem Anwer <jaseemanwerifn@yahoo.com> wrote:

Salaam

We deposited his check for \$12,500 yesterday, should we wait for the payment till it is cashed, please advise.

Also, the Treasurer cannot vote, could not vote (due to being busy as detailed above) and did not vote on this matter of the Advance to Imam Azfar because of following clause # 4.3.6.2 of the Bylaws, this matter is to be decided by the BOT:

4.3.6 RESPONSIBILITIES OF THE BOARD

- 4.3.6.1 Provide vision, leadership, and maintain focus on the Aims and Objectives as described in Article II.
- 4.3.6.2 Maintain, and provide oversight for properties, deeds, assets, investments, and endowments held in the name of IFN.

As the Treasurer is not at mistake, the Treasurer did not apologize nor offered to resign.

2. Is BOT concerned with that?

Per BOT Chairman in the special leadership meeting on May 10th, 2018: 'We should reply that we do not think it is in the best interest of IFN for the EC President and Treasurer to resign at this time.'

3. If BOT members resigned, we should put motion that treasurer should also resign. It will be up to the community to accept all resignation?

The Treasurer believes that it is s a comment from the questioner, Treasurer's response is not needed.