

BAC Meeting

1/10/25

Gentlemen

I trust and hope you had a wonderful Holiday Season and haven't yet given up on all of your New Year's resolutions.

The next Branch Advisory Council meeting will be held by Zoom on **Friday, January 10, 2025, starting at 1 p.m.** The Zoom information is:

The link to the meeting is:

<https://zoom.us/j/94269180206?pwd=f3ZE4b4nroeW1xoBRoOwpmOgfVURJw.1>

The Meeting ID: 942 6918 0206 and Passcode: 488269

Dial by your location if you need to: call 1 669 900 6833

If you are unable to attend, please send me an email with your thoughts. Your input is important!

Topics which we are unable to address will be carried over to the next meeting. Please come prepared.

Agenda

1. The first topic will be a discussion of the Grouper Membership Opportunity which will be available to all SIR members. See, summary below. Members will have the opportunity to receive \$130 per year simply by participating with SIR.
2. The second topic will be a discussion of whether all references to "retirement" should be removed from SIR documents and marketing materials and, if so, how best to do so.
3. The third topic will be a discussion of the need for a draft policy and procedure of how a branch can convert to a mixed branch. See White Paper below.

We look forward to your comments.

Summary Re Grouper Program

Element3 Health, Inc.

Grouper Business Plan: Prior to the pandemic, many health plans provided free memberships to their members designed to enable their exercise and better health. Grouper focused on the positive benefits to seniors of physical activity and social activities. There is a significant amount of data, as we know, that confirms the health benefits of an active, social lifestyle.

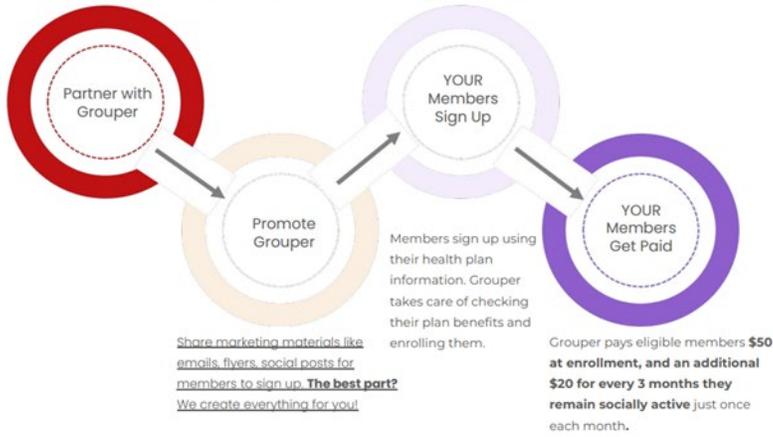
Grouper has encouraged health care plans to provide incentives to their insureds to encourage their physical and social activities. Grouper acts as the agent for health care plans that agree to provide these economic incentives to their members on the condition that their members engage in physical and/or social activities.

Member Benefits: The incentive to the plan members is that, provided they engage in consistent physical and/or social activities, they will receive a \$50 check at the time they sign up. Thereafter, the insured if they remain active will receive a \$20 check every quarter. Grouper collects its fee from the health care plans which it uses to issue both the \$50 and \$20 check to the insured member. I should note that a member's qualifying activity during the quarter can be solely involved with club activities but can also be non-SIR activities. The key is that the member confirm that they have engaged in physical and/or social activities. **Accordingly, the benefit to SIR members who sign up with Grouper (and Grouper is acting as the agent for their health plan) and participate in SIR would be the \$50 initial payment and the quarterly \$20 payment for a total of \$130 per year.**

Marketing Opportunity: Grouper markets its programs through collaborating clubs such as SIR. We have agreed to provide our members information about the Grouper program, permitting each member to decide to register with Grouper and begin receiving his monetary benefit if their health care plan is one that is working with Grouper. We will receive a one-time payment of \$1,000. In addition, Grouper will distribute information about SIR. Grouper will list SIR on its searchable data base made available to all those that have signed up with Grouper. A person looking for a particular activity in his area can search this data base and will be directed to organizations that provide that activity. As we understand, our branches will be tagged in this database by zip code and activity.

How It Works

The club onboarding process is easy, and we will assist every step of the way.



Connect Your Club Nationwide

The first-of-its-kind directory to find and join clubs!

- Attracts Over 250K Annual Visitors
- Increase your club's exposure
- Support healthy living

WHITE PAPER

Draft Policy: Procedure To Become A Mixed Branch

Currently, State SIR has two different types of branches: Men Only Branch and Mixed Branch. Branch 92 is a mixed branch. Under its new charter and Bylaws women are permitted to become members. All other branches remain men only branches. But I have learned that at least one branch, and possibly more, have voted to become a mixed branch, one of which has already “admitted” women members. I have put that in quotes because it has not complied with the legal requirements to become a mixed branch and does not have a charter to be one. This situation has arisen because we do not have a written procedure outlining and explaining the steps required to convert to a mixed branch.

The admission of women members without proper compliance with legal procedures creates regulatory and insurance concerns. Focusing on insurance, if a branch “admits” women members when prohibited, they are not members. Likewise, they are not guests of members. Our insurance policy covers our members and their guests. If a claim arises in the future involving such a woman “member,” our insurer may refuse to cover the claim on the basis that it does not involve an insured person. In such cases the branch, its leadership and possibly the entire organization might be subject to a suit which could result in substantial financial loss, with potential personal liability.

As a result, it is imperative that State SIR develop, adopt and require compliance with a formal procedure to avoid this risk. During the January Branch Advisory Council meeting, we will be discussing the policy that is being considered by State SIR to address this problem.

BACKGROUND:

During the past several years there has been considerable discussion about whether the men only requirement within SIR should be retained or replaced with a mixed gender position. Some have argued that removing the men only requirement would make SIR more attractive to potential young members, hence increase membership, provide needed leadership to branches, facilitate fundraising efforts and bring the organization in line with the current times. Others have argued that the men only requirement should be retained because that is what the organization is, why they joined and why they remain members and that adding women will have no significant impact on aggregate membership or leadership.

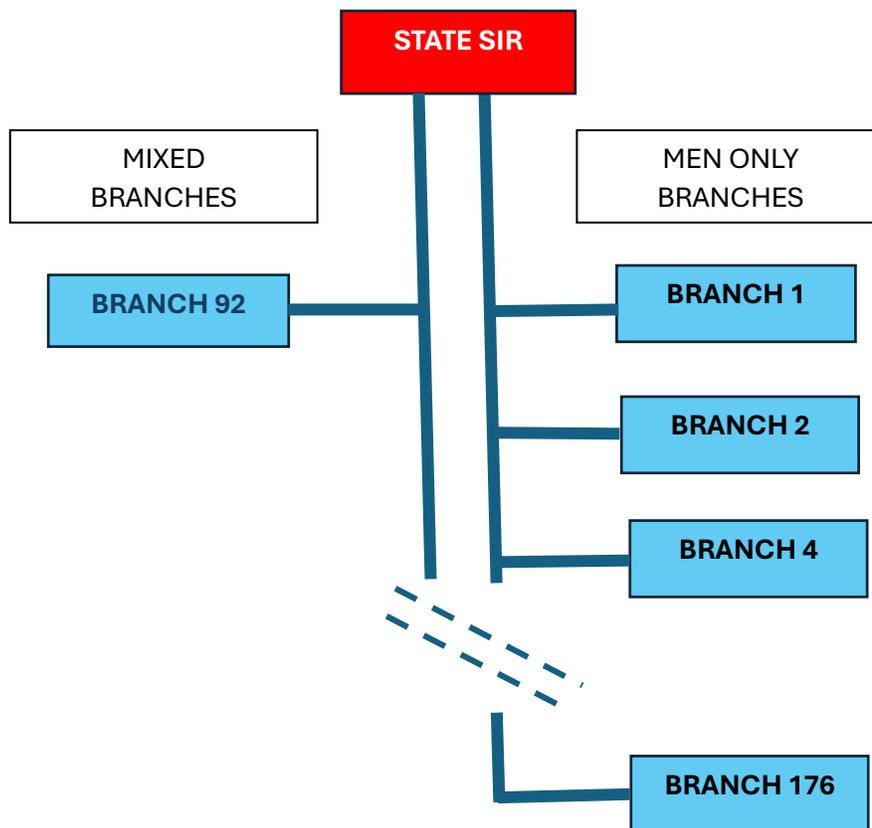
In 2022, a pilot program was established at the request of two branches. Under this pilot program, these branches were allowed to admit women members. One of the branches, for reasons unrelated to women, subsequently closed. The other, Branch 92, found significant benefit in having women members. State SIR surveyed all branches asking essentially two questions: 1) Does your branch want to become a mixed branch? 2) Would it create a problem if other branches became mixed branches and you remained men only? Of our 85 branches, 73 responded to the survey, an 86% response rate.

In response to the first question, ten branches (in many cases only their BECs) answered that they would like to become mixed branches.¹ The balance of the branches confirmed that they wanted to remain men only.

In response to the second question, 41 branches or 56% responded that it would be okay if other branches elected to become mixed branches.

Branch 92 went through the process of 1) removing the men only limitation in their Articles and Bylaws, 2) gaining a favorable vote of the majority of the entire membership to the changes, 3) obtaining the approval of State SIR, 4) filing the necessary documents with the State of California and 5) receiving a new charter as a mixed branch of SIR.

Accordingly, at the start of this year, the corporate organization of SIR was the following:

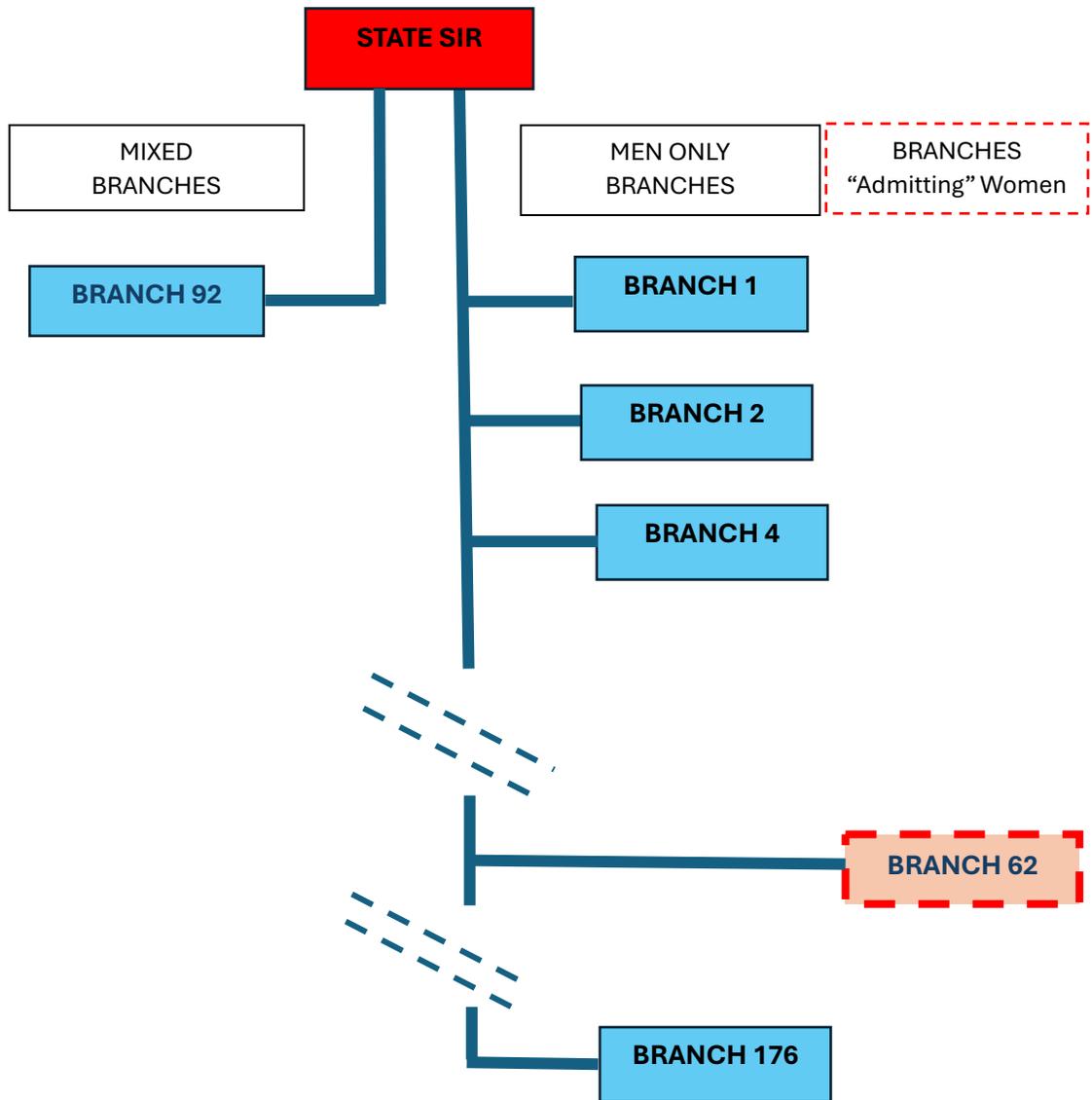


State SIR, through the Charter approach, is the parent corporation of the branches which are subsidiary corporations. At the beginning of this year, one branch was a mixed branch and the rest were men only, with women being able to participate as guests.

¹ The ten branches that advised State SIR at the time of the survey that they might become mixed branches were Branches 2, 5, 32, 35, 62, 92, 95, 132, 143, and 159.

Today, the situation is different. We recently learned that one branch has voted to admit and has admitted (failing to comply with legal requirements) women members through a unanimous vote of its BEC. Another took an unofficial vote of its members attending lunch to be a mixed branch and there may be others considering a switch.

Our organizational chart, based on these actions, now can be represented as follows:



While it appears to be the intent of Branch 62 to move over to the Branch 92 side of the organization chart and become a mixed branch, because required legal procedures were not followed, it has become an outlier creating regulatory problems and the insurance problem discussed above.

POLICY AND PROCEDURE UNDER CONSIDERATION:

Preliminary Comments. Before discussing the steps required for a branch legally to convert to a mixed branch, a few preliminary comments are appropriate.

First, no branch is required or expected to convert from a men only branch to a mixed branch. Each branch (other than Branch 92) can remain as it now is - men only. Although some individual members in the State SIR leadership group support the idea of allowing women to be members, State SIR is not encouraging or requiring any branch to convert. That is a decision left solely to each branch.

Second, if a branch converts to a mixed branch, it cannot change back into men a only branch.

Third, a woman member of a mixed branch cannot transfer into or become a member of a men only branch.

Fourth, a mixed branch cannot merge with a men only branch.

Finally, the restrictions applicable to women members should be disclosed to each woman candidate, and any current “member,” of a mixed branch and she should provide written confirmation that she understands, consents to and agrees to abide by the restrictions.

Policy Under Consideration. Using the procedure which was approved and adopted for Branch 92 as the guide, the steps for conversion under consideration are as follows:

Step 1: The Big Sir/President of the branch will notify the President of State SIR that the branch will be voting to convert into a mixed branch. The branch BEC should adopt a motion to begin the process. In addition to containing the direct statement that the BEC believes it in the interest of the Branch to become a mixed branch, the motion should call for a vote of all the branch members at a properly noticed membership meeting, or through other authorized procedure under the branch bylaws, to approve the conversion.

Step 2: At a properly noticed membership meeting, or under another authorized procedure, the branch members will vote on the motion (i) to convert the branch to a mixed branch, (ii) to approve required amendments to the Articles of Incorporation and Bylaws and (iii) to authorize the Big Sir/President to take all actions necessary to accomplish the conversion. A physical record of the number of votes in favor, opposed and any abstentions should be recorded. A favorable vote by the majority of all the branch members, not just those in physical attendance at a meeting, is required to pass the motion.

Step 3: The Big Sir/President will certify in writing to the State President that the vote was properly noticed, taken and that the conversion was properly authorized by both the BEC and a majority of the branch’s total membership.

Step 4: The request will then be reviewed by the State SIR Board of Directors, which must approve the conversion.

Step 5: A Transition Agreement will be prepared between State SIR and the branch (i) formally authorizing the conversion, (ii) providing the form of amendment to the branch Bylaws and Articles of Incorporation required, (iii) confirming the agreement of the Branch to comply with the State SIR Policies and Procedures for mixed branches, (iv) attaching copy of the form of disclosure and consent to be signed by each woman candidate or member, (v) a statement that the branch is surrendering its existing men only charter and (vi) a copy of a new mixed charter to be issued to the branch by State SIR.

Step 6: Once the Transition Agreement is approved by both the State Board and the branch BEC, the Transition Agreement will be executed. At that point, the formal Certificate of Amendments for the Articles of Incorporation will be signed and filed with the California Secretary of State and the amended branch Bylaws will become effective. Upon receipt by the State President of a written statement from the Big Sir/President of the branch that every woman candidate or member has voluntarily signed the required disclosure and consent, State SIR will issue a mixed charter to the branch.

The branch will then be a mixed branch subject to the limitations described in the preliminary comments. Our organization chart will then look like this:

