NATIONAL EXECUTIVE COMMITTEE
OF
THE AMERICAN LEGION
Indianapolis, Indiana
May 2-3, 1990

Resolution No. 37: Enabling Resolution for the Finance Commission to Purchase Two Companies
Origin: Finance Commission
Submitted by: Finance Commission

WHEREAS, The American Legion has a need for creative talent and services to develop programs and program materials; and

WHEREAS, The American legion is a large user of direct mail services and can achieve a number of economies by vertical integration with a letter shop operation; and

WHEREAS, An opportunity has been presented to The American Legion to purchase two related companies providing such creative talent and services and letter shop capabilities to The American Legion; and

WHEREAS, A number of economies and savings can be achieved by vertical integration in all these areas which will produce significant savings for The American Legion and such companies as a group and provide revenue for The American Legion; and

WHEREAS, The Ad Hoc ATS Committee for Revenue Enhancement (appointed by the National Commander) has reviewed and unanimously approved the proposal to purchase said companies at a cost not to exceed $500,000.00, plus the long term debt of $188,231.34, which long term debt will be serviced from the earnings of the two companies, subject to the limitations set forth herein below; and

WHEREAS, The National Finance Commission has reviewed and approved this proposal and this resolution and recommends its adoption by the National Executive Committee; now, therefore, be it

RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on May 2-3, 1990, That The American Legion purchase the two companies known as Haynes and Pittenger Direct, Inc., and Promotion Management, Inc., both Indiana corporations, to provide creative talent and services and letter shop capabilities to The American Legion, provided that the price (including all advances to and payments for these two corporations, which shall include the purchases of the stock and advances to retire short term debt, provide working capital and purchase equipment) shall not exceed $500,000.00 plus the long term debt of $188,231.34, which long term debt shall be serviced from the earnings of the two companies; and, be it further

RESOLVED, That the following conditions shall be conditions precedent of any such purchase referenced in the first Resolved clause:

1. **The selling principals must assume a material portion of the existing debt representing loans by subject companies to said principals or the cancellation of loans by said principals to said companies.**

2. **Key employees must sign employment contracts for at least the next five (5) years following the purchase.**
3. **The American Legion will name the Chief Financial Officer and Chief Executive Officer.**
4. **The American Legion will name the Board of Directors.**
5. **The selling stockholders must warrant the financial information in sworn affidavits.**
6. **Price Waterhouse, a Certified Public Accounting Firm shall have conducted a full, complete, and thorough audit, paid for The American Legion, verifying the financial information that has been presented to The American Legion; and**
7. **After receipt and review of said audit and satisfaction of the foregoing conditions, if final approval to purchase said two companies shall have been granted by the National Finance Commission in its meeting at National Headquarters; and, be it further**

RESOLVED, That said companies shall continue to increase their business outside of The American Legion while providing priority for any American Legion Business which may be directed to them; and, be it finally

RESOLVED, That the National Commander, upon recommendation of the National Finance Commission and after review and approval by the National Judge Advocate, be and he is hereby authorized and directed to execute all relevant documents necessary to complete said purchase, and the National Adjutant be and he is hereby authorized and directed to attest the same.