



**AFM Board Meeting
Minutes
February 18, 2014**

Place:

Conference Call

A conference call of the AFM board was held on February 18, 2014 to finalize certain business matters and continue the planning process for the remainder of this fiscal year.

Participants:

**Adrian Iturbide, Chair
Antonio Villasenor, Vice Chair
Ed Figueroa, Treasurer
Sergio Guerrero
Mike Browne, Director
Ramon Paz, Director
Armando Lopez (ex-officio)
Ron Campbell, Secretary (ex officio)
Giovanni Cavaletto
Gahl Crane
Gary Caloroso
Veronica Douglas, AMS
Dennis Crowley, Brand Engineers
Kevin Brosch
Dolora Sillman**

Mr. Iturbide asked Mr. Campbell to take the roll call and established a quorum. Mr. Paz motioned to approve the minutes from the January 8 meeting and Mr. Browne seconded the motion. Unanimous.

Depositing Funds into AFM accounts:

The first agenda item was a discussion on MHAIA and APEAM deposit practices. In order to standardize these financial policies, MHAIA and APEAM will deposit funds into AFM accounts on a cash flow basis according to the 2/3rd – 1/3rd formula in the MOU.

AFM Financial Director Position:

The second agenda item was a discussion on the candidate for the AFM Financial Director position. The board felt that the president should do his due diligence and bring additional candidates for consideration. Additionally, job descriptions need to be developed for the positions being considered. We can expect additional candidates to be presented in order to make a decision by mid March.

Office Space:

Mr. Campbell proposed Mr. Luque's choice for AFM office space. A Regus workplace can be rented on a monthly basis with adequate meeting space. The space is available immediately. Overall, the board was positive. Mr. Browne motioned to move forward with this proposal which was seconded by Mr. Figueroa. All were in favor. Additionally, Mr. Figueroa proposed to have the next MHAIA meeting in Dallas now that we will have offices there. Everyone agreed.

Benefits Packages:

In an effort to standardize the benefits packages for all AFM employees, the board agreed to give the latitude to the AFM President to make these decisions independent of the board. He is considering a "safe harbor" 401 K plan to protect the company from IRS difficulties. This benefits package, including short and long term disability insurance, will eventually become part of the AFM Corporate Employment Policy that is under development. Additionally, it was suggested that no changes be made to the existing employee benefits packages until July 1, 2014. Finally, Mr. Browne suggested that AFM be partial beneficiary of an increased life insurance policy ("key man life insurance") to pay for the cost of replacement in the event it is necessary. Mr. Figueroa motioned to allow Alvaro to move forward on the health and benefits package, which Mr. Browne seconded. The motion carried unanimously.

New Business:

Mr. Paz proposed the AFM president's chain of communication request. Communication to the Joint Executive Committee will be through the two Executive Directors and bimonthly conference calls will take place. Additionally, communication to the Joint Marketing Committee will be between the President, Mr. Browne as marketing committee Chair and Mr. Paz as the APEAM marketing representative. Mr. Paz motioned to approve this policy, which was seconded by Mr. Villasenor. All were in favor.

Mr. Campbell mentioned that Mr. Luque suggested during the last meeting to keep Brand Engineers working for AFM for the remainder of this fiscal year for planning purposes. However, the board never agreed to this officially. Therefore, Adrian Iturbide motioned that AFM extend Brand Engineers contract until the end of this fiscal year. Ed Figueroa seconded the motion and there was no objection.

Finally Ed Figueroa, requested feedback and observations from the new President on his recent industry orientation. Mr. Luque, stated that it seems that most people he talked to agreed that we need to balance our two main objectives to improve the brand and grow the category. Internally, he feels very comfortable and understands the different perspectives within the industry. Regarding the agencies, he feels that they are strong but essentially all they have done so far is transformed a pitch into a campaign with very little creative direction or feedback. This hold true with digital and the fixed media costs are too high. We have an opportunity to separate some of these responsibilities and utilize smaller more nimble agencies. Finally, Mr. Luque stated that he is looking at resumes from individuals with food service expertise who can interact with the executive chefs throughout the country.

**Respectfully Submitted
Ron Campbell
Secretary AFM**