

RE: Actions ED should take with 7 Gen

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That is really funny... but so true it is scary Should I drop off info so you can share with ED? He really needs to read this and I could meet again with him to answer questions, especially on financials.

Best
PL

From: Yvonne Metivier [mailto:cocoparischannel@yahoo.com]
Sent: Friday, November 25, 2011 9:15 AM
To: Paul Linzmeyer
Subject: Re: Actions ED should take with 7 Gen

From the beginning, I felt that 7 could not make money on a paid outhouse during a flu epidemic.

From: Paul Linzmeyer <isointernational@gmail.com>
To: Yvonne Metivier <cocoparischannel@yahoo.com>
Cc: Paul Linzmeyer <isointernational@gmail.com>
Sent: Friday, November 25, 2011 8:14 AM
Subject: Actions ED should take with 7 Gen

Y

In addition to the previous email in which I describe how ED might chose to handle this annual meeting of Seven Gen, I have some additional thoughts:

1. He should ask for a copy of Seven Gen By laws which should show him the process for electing board memnrs
 - a. ~~The Board of Directors will consist of a number of board members specified in accordance with the Corporation's by-laws with the following limitations: the majority of the members must be voting members of the General Tribal Council, the amount of non-Oneida board members will not exceed two (2), and all board members must have experience in one (1) or more of the following areas: real estate, commercial development, business management, risk management, finance, tribal government or accounting~~
 - b. To elect or appoint officers and agents of the Corporation and define their duties and fix their compensation, PROVIDED that such elections or appointments comply with the laws of the Oneida Nation and the policies of the Corporation
2. He should ask for copies of all agreements between LLCs, LLP (Section VII - O "To set up separate corporate business systems and processes, i.e. LLC's and LLP's, etc.") and any other organizations doing business with Seven Gen including
 - a. IEP Development LLC
 - b. Oneida Energy LLC
 - i. I have many questions about the following from their November 5, 2010 report to OBC
 1. Financials have many questions
 2. Letter addressed to Mark Hess Oneida Seven Generation Corp (s/b Marc Hess of IEP Development LLC)
 3. Loan from state of Wisconsin
 4. Can they meet terms of economic model (pages 3 and 4 of summary)
 - c. Broadway Manufacturing
 - d. American Combustion Tech, Inc
 - e. Any other LLP or LLC it has relations with
 - f. Alliance Construction
 - g. Municipalities, Counties, and/or private haulers who will supply waste for gasification project
3. He must read the 2008 audit as it appears that Seven Gen is still not in compliance with the issues brought up there especially how it relates to numbers 1 & 2 (above). While my previous emails may have seemed to soften my stance on seven gen, after reading the 2008 audit, I am very concerned. He should order a follow up audit to the 2008 and then have an independent counsel review how tribal law was violated and possible action. (much of this is business 101)
 - a. Return on Investment for every partnership
 - b. Not in compliance with filing semi-annual reports
 - c. Percentage of revenue generated is misleading
 - d. Mission statement was not being satisfied by certain business ventures
 - e. Financial reports were not being reviewed until year end (I stated this in previous email)
 - f. Proper segregation of duties over cash receipts was not being done
 - g. Adequate supporting documentation of sublease agreements was lacking
 - h. Procedure for disbursements was not being followed
 - i. Not in compliance with article 5 for agreements over \$15k
 - j. Discrepancies over annual budget (it would be great to see their budget but agreement doesn't suggest that but should)
 - k. Bad debts reserve not established
 - l. Poor accounting practices for fixed assets
 - m. Not in compliance with article 3 which requires board approval of board member compensation
 - n. Not in compliance with Article IV - ex CEO is a registered agent and managing member
 - o. No job description for each staff

I am very concerned about this whole mess. I can return your materials so he can read them asap.

Best
PL
Paul A. Linzmeyer