

Henderson, Barbara

From: Haake, Carol Ann
Sent: Monday, March 31, 2003 11:32 AM
To: Henderson, Barbara
Subject: Fwd: (no subject)

In a message dated 3/31/03 8:31:16 AM Pacific Standard Time, BKJ2562 writes:

Subj:(no subject)
Date:3/31/03 8:31:16 AM Pacific Standard Time
From:BKJ2562
To:EvansM@usa.redcross.org

Marty,

I just had a very good meeting with David, Gerry, Caroline, Doug Allen.....
I was so pleased to hear that operationally we are doing everything that we can.
As chairman of the international committee I do want to be kept apprised periodically of our efforts, concerns, and successes. Afterall, much like yourself, I feel a strong responsibility to my role and position.

I do believe that at this time the ARC has no role in visible relief efforts. However, sublte support of governance to governance is important.

Caroline mentioned a report to the board in the next week. I have called a meeting of the international committee next Thursday. I do not expect much in person attendance as it can easily be done via phone, however, I have opened up an informational meeting to the entire board. Again, I do not expect a large attendance but it is a meeting that I belive needs to be on record and available to our governors.

I look forward to meeting with you next week as we have lots to discuss.

SFC-ARC-A002103

3/31/2003

Henderson, Barbara

From: D.T. McLaughlin [orionsafety@tds.net]
ent: Thursday, February 27, 2003 8:41 AM
fo: Barbara Henderson
Subject: FW: Monthly Updates

For you.

Linda K. Nicklos
orionsafety@tds.net
Executive Assistant/Office Manager
David T. McLaughlin's Office
603.526.9009

-----Original Message-----

From: Hassmiller, Susan [mailto:SHASSMILLER@rwjf.org]
Sent: Wednesday, February 26, 2003 6:25 PM
To: EvansM@usa.redcross.org
Cc: orionsafety@tds.net
Subject: Monthly Updates

Marty: The following is for your consideration only:
I have appreciated your monthly updates to the Board. I have found them to be the right length and informative. I am wondering, if at the end of each update, there might be a paragraph or a few bullets on how you would like the BOG to help or take action on or be more involved with your aforementioned news. I guess I, personally, am always looking for way to do as much for you and this great organization as possible, and would like to have your requests if you think this might be of value to you. Sue

Henderson, Barbara

From: David T. McLaughlin [mclaughlin@tds.net]

Sent: Sunday, April 27, 2003 1:58 PM

To: Henderson, Barbara; Evans, Marsha

Subject: FW:

Barbara Would you please recover the backup correspondence re the enclosed and give it to Marty Thanks
Dave

-----Original Message-----

From: EvansM@usa.redcross.org [mailto:EvansM@usa.redcross.org]

Sent: Sunday, April 27, 2003 12:56 PM

To: mclaughlin@tds.net

Cc: McCurryA@usa.redcross.org; SiciliaT@usa.redcross.org; PrevatteC@usa.redcross.org

Subject: RE:

David, Thanks for sharing the response with me... I would appreciate seeing the communication between Sue and Ross that started off this sequence of e-mails. if you happen to have it.

We have always (that is once the extensive planning had begun last winter) planned to roll out the first two regional re-structures just after this year's hurricane season...I too have been concerned that we are ready for anything in the meantime. Recently I received a significant brief from Terry re: what has been done to shore up our disaster response as a prelude to the actual roll out. You should be assured that, because of other steps he has taken, we are readier now that we would have been in past years. If you would like, I can ask Terry to brief you. Marty

-----Original Message-----

From: David T. McLaughlin [mailto:mclaughlin@tds.net]

Sent: Saturday, April 26, 2003 3:51 PM

To: Ross Ogden

Cc: Evans, Marsha

Subject: FW:

ROSS OKAY THANKS, WE NEED TO HOPE THAT WE DO NOT GET TESTED OVER THE NEXT FOUR TO FIVE MONTHS. IT IS OUR SIGNATURE SERVICE AND PRESENTLY ONE OF OUR GREATEST VULNERABILITIES. WHEN ONE LOOKS AT RISK ASSESSMENT, THIS RANKS RIGHT UP THERE WITH BLOOD QUALITY. DAVE

Sent: Saturday, April 26, 2003 3:19 PM

To: mclaughlin@tds.net

Cc: McLaughlin [DC], David; David McLaughlin

Subject: Re:

David,

My statement might have been clearer had I said, "the fall of 2003," rather than the fall of FY2004." In both cases, its the same date; the anticipated start-up for the two service area pilots is October 2003, about five months from now.

I continue to believe the board made the right decision to push this project ahead on the fastest possible track, but after the discussions in January and April, I am convinced that management needs the five month delay to get it right. Both Terry and Alan tell me that there were too many details not thought through in the initial proposal to start sooner than October. That, plus trying to start up during this summer's hurricane season is the rationale for October versus June.

Let me know if you would like to discuss this further, and we can do so on May 6 in DC.

4/28/2003

SFC-ARC-A002105

Ross

— Original Message —

From: David T. McLaughlin
To: Ross Ogden
Cc: Marty Evans ; Susan Hassmiller ; Barbara Henderson
Sent: Saturday, April 26, 2003 2:41 PM

Please respond to 'orionsafety@tds.net'
Ross

I read the e mails between Sue and you regarding Houston. The one thing that stuck out was your statement that "I am convinced that the delay until fall FY2004 is necessary". It was my recollection that when the board approved this project and committed the funds for it – even it we had to invade borrowing – it was with a sense of urgency dictated by the need to get ready for the next major national disaster – whether wmd or natural causes. I am still personally of that persuasion since the timing of disasters is not under our control and whenever and where ever they occur in the U.S., the public expects us to be ready. Is there really some reason that it will take us twenty-four some months to get ready ?? Surely we can do better.

Dave

4/28/2003

SFC-ARC-A002106

Barbara
E Mail
Don't have
Alan McC
E Mail - could
you please
send him a cc
and give me his E Mail -
12/19/21/24
Handwritten

Linda K. Nicklos

From: Ross Ogden [ogdenr@optonline.net]
Sent: Wednesday, April 23, 2003 12:02 PM
To: Hassmiller, Susan
Cc: McCurry, Alan; McLaughlin [DC], David; David McLaughlin; Grinnan, Rick
Subject: Fw: Houston Chapter Visit

Sue,

Thanks for sharing the notes you and Rick made on your recent visit to Houston. Your comments and observations illustrate the value of board members making these trips, and I am especially appreciative that you and Rick took the time to meet with the chapter's paid and volunteer staff. I know they enjoyed your visit and the opportunity to hear directly from board members.

With your permission, I am forwarding a copy of your comments on to Alan McCurry and David.

A few observations of my own:

- Houston has been a strong chapter and the anchor for the SW region. The economic distress they are currently experiencing is common to many chapters, even our best ones. The staff cuts they anticipate will be painful, but are necessary in these difficult times. Your notes suggest that they will make these cuts in accord with the newly developed corporate strategy. That's the right thing to do, but it will put pressure on programs like Transportation and HIV/AIDS. While undeniably valuable, every program has to pull it own weight (on a fully costed basis), especially those that are "supportive" rather than core to the strategy.
- I agree with you that after the corporate plan is approved, the concept of MUST, SHOULD, and MAY services needs to be re-examined. The idea of dictating services to chapters, rather directing their actions through strategic goals and initiatives seems outmoded.
- The implementation timetable for the Disaster Service Areas is an issue John needs to discuss with Terry. I'm convinced that the delay until fall FY2004 is necessary, but if John has new information that could speed things up, it should be considered. Management needs to work the issue out; I know Alan has valid cost and logistical concerns.
- The importance of diversity (in volunteer recruiting, youth, fund raising, and collaboration) is apparent from your comments. I hope Alan and Tony Polk will consider Houston as a test area for any business-building activities they plan in support of Strategic Initiatives F, G, H, & I. It would be a great place to start something new.

Ross

----- Original Message -----

From: Hassmiller, Susan
To: 'ogdenr@optonline.net' ; 'DekuyperM@usa.redcross.org' ; 'drlee@lgoldsteinoptometry.com'
Sent: Tuesday, April 22, 2003 10:54 PM
Subject: FW: For your approval

Ross, Lee, Mary: Rick and I made a visit to Houston Chapter. We spent dinner and one evening with John McDivitt, CEO; his Vol Chair of Volunteers and Dir of Human Resources; the next morning with Chair of Board (Bruce LaBoon, who is joining our BOG; Vol Chair of Disaster Services; Director of Disaster Services and John) and then a few hours with all his directors (Youth, IT, H&S, PR/Marketing, HIV/AIDs,

CFO, HR, Transportation, Youth, and AFES). We found it to be a very valuable site visit. Please see bulleted "Feedback from the Field" below:

Ross: please take special note of Disaster category...I will be calling Terry Sicilia about this. Also, see H&S. Please pass along to Alan whatever you want to of this note. Sue

- **Transportation** - money maker for the chapter. Great for PR.."rolling bill boards."
- **PR/Marketing** - have great/effective TV/radio commercials (award winning) donated by local Texas media firm. They state ok for others to copy. National must continue to be proactive and use more prime time media slots. Working with AFES to get "daily" stories out about military personnel. NHQ/chapter communications has improved since Chuck Conner has taken over. Appreciate being asked to advise national. Keep asking/keep listening.
- **AFES** - very busy/overwhelming. All in chapter pitching in. Working closely with youth on care packages. Houston has largest reservist population in country.
- **HIV/AIDS** - CDC money to NHQ has dried up. If they want to keep programming viable NHQ needs to be more aggressive in seeking funds from other entities. Chapter successful with local fundraising.
- **Youth** - very successful youth program (much due to Directors leadership capabilities and keeping youth invested). Tries to track once kids leave for college (although also has many college RC youth programs). Stresses "volunteer for life." Face of youth have changed. Diversity important factor. Need to consider how to draw in different cultures. Idea for keeping youth engaged (and others) - blast monthly emails.
- **Disaster** - very impressive physical set-up/new building/state of art communications. More than ready to start pilot program. Have pieces in place. Cannot understand why they have not been given word from NHQ to even start planning????? Do not necessarily agree with need to wait for after hurricane season. Wonder what hold up is at NHQ??? Need "couple hundred thousand" to get plan off the ground and get started. John claims that he is losing credibility with partner states the longer the delay occurs. Concerned that the word "disaster" is out of the title in the new NHQ Org chart ("Preparedness and Response"). States they must continue to use the word disaster as that is what all the state/local/Fed partners use.
- **Volunteerism** - losing key volunteers to other organizations. Need help from NHQ. Strategies needed for consideration: greater understanding of lifestyle changes; need for openness to new ideas, recognition of all cultures, move to more virtual volunteerism (people want to volunteer "where they're at"); corporate volunteer programs "are the future." Need to help corporations with business plan (why good for their business...NHQ needs to develop), develop model employee release policies, performance appraisal benefit. Corporate volunteer programs reap benefits beyond volunteers...corporate donations, co-branding. Connect to corporate websites. Co-branding key.
- **H&S** - excited about Together We Prepare. Judge Andell will be coming to Houston soon to kick start "Houston pilot" with Dept of Education. Prepared to use volunteers/school nurses. Worried about resources. Have been contacted by Emergency Room Nurses Association about partnering. Sue encouraged better utilization of nurses. The whole "must, should, may" concept should be reconsidered. H&S "should be elevated to a must service." Responsible for bringing in many valuable dollars. Feel like "step child."
- **CFO** - need to do better job with targeting "minority dollars." All approaches don;t work equally for all cultures. Need help from NHQ. Houston second largest population of wealthy blacks.
- **IT** - very concerned that Houston "not allowed" to keep track of their own volunteer data. National feels they need to keep all data. Concern that during power outage Houston have and can get to their volunteers. Tom Swaniger apparently not communicating clearly enough with chapter. Need for clarification of issue and resolution.
- **John McDivitt** - Will do major RIF soon. Hurt by decreased financial support AND increased insurance costs (+55%) from National. External relations/corporate development high priority. Very proud of staff.

Rick and Sue

4/23/2003

SFC-ARC-A002108



National Headquarters
Office of the Chairman

Together, we can save a life

To: Members, Board of Governors **Date:** April 1, 2003
From: David T. McLaughlin **Subject:** The Board of Governors Office
cc: Marsha J. Evans
Mary S. Elcano

Over the past few months, the agenda of the American Red Cross has more than filled all of the space between the international and domestic bookends. The organization has been stretched at every level, and this at a time when donor funding decisions are more deliberate and less bountiful. The war in Iraq has added complications and new challenges as we fulfill our chartered obligations in time of international conflict and strive to maintain and strengthen our relationships with our sister societies.

Through it all, the American Red Cross has performed admirably. Marty and her management team have begun to focus on the strategic issues and are giving positive visibility to the work of the Red Cross. You have also been active – visiting disaster sites, chapters and Blood Services regions and carrying forward the work of the Board committees. I am grateful for your committed efforts.

To assist you more effectively in being able to represent the American Red Cross in an informed manner, we have realigned the support system for the Governors. Barbara Henderson, who had previously been Special Assistant to the Chairman, will now assume the duties of Manager, Board of Governors Office, and will report to Marty and me and also to Mary Elcano, General Counsel/Corporate Secretary, in order to assure coordination of Governor activities and to respond to your needs. Committee Chairs should continue to work directly with their counterparts in the organization, but I encourage other Governors to contact Barbara for any information needs that you may have and to advise her of your other activities and contacts on behalf of the Red Cross. This will enable her to keep Marty, me and others in the organization informed as appropriate, so that we may give you all of the necessary support.

SFC-ARC-A002110

On July 11, 2003, it is anticipated that the Board Office will relocate to the new building at 2025 E Street in N.W. Washington, D.C. At that time, there will be dedicated space for Governors who are visiting, and Barbara will provide you with administrative support as necessary on those occasions. In a volunteer-based organization, the role of the Governors – the ultimate volunteers – is critical to the success of the Red Cross. These moves are intended to enhance your effectiveness and to facilitate a seamless transfer of questions, opportunities, contacts, etc., from Governors to Marty and those in operations so that we respect the bright line between governance and management. Obviously, any Governor should contact Marty or me directly should they feel the need to do so at any time, just as you have done in the past.

I hope that you find this new alignment helpful – and again my appreciation for your commitment to the cause of the American Red Cross.



Together, we can save a life

National Headquarters
430 17th Street, N.W.
Washington, D.C. 20006
(202) 434-4035

David T. McLaughlin
Chairman

MEMORANDUM

Date: June 29, 2003

To: Members of the Board of Governors
From: David McLaughlin
cc: Marty Evans

Attached, for your information, is a letter dated June 10, 2003, from Juan Manuel Suárez del Toro, and my response of June 17 to his letter.

Attachments

SFC-ARC-A002112



JUN 11 2003

The President

Mr. David T. McLaughlin
Chairman
American Red Cross
430 17th Street, N.W.
Washington DC 20006
USA

Geneva, 10 June 2003

Dear Mr. Chairman,

The Governing Board of the International Federation met last week in Geneva, from 27 to 29 May. A number of substantive issues were addressed, including the report of the Finance Commission. During the discussion under that item, reference was made to the non-payment of the barème contribution from the American Red Cross during the past three years. The Board further addressed that question in an exchange of views specifically dedicated to the American Red Cross. As a result, a decision was adopted, a copy of which I am addressing to you herewith.

The text of the decision is self-explanatory, and does thus not require any further elaboration on my part. I would like to say, however, that the discussion within the Board was positive and constructive. While all members recognise the financial hardship the non-payment of the barème contribution is causing to the Secretariat, and urge for a prompt settlement, they also understand the difficulty in which the Board and Management of the American Red Cross is operating. I felt from the discussions last week that there is supportive commitment to search for a solution to the satisfaction of all parties. What the American Red Cross will be able to do for the Secretariat in terms of voluntary contributions will evidently be highly appreciated. But it was heartening to realize that there was no hostility in the debate, rather a strong sense of solidarity within the International Federation.

With best wishes,

Yours sincerely,

Juan M. Suárez del Toro R.



17, chemin des Crêts, Petit-Saconnex - P.O. Box 372 - CH-1211 Geneva 19
Telephone +41 (22) 730 42 22 - Telex 412 135 FRC CH - Telefax +41 (22) 733 03 95
E-mail: president@ifrc.org - Web site: www.ifrc.org

SFC-ARC-A002113

INTERNATIONAL FEDERATION OF RED CROSS AND
RED CRESCENT SOCIETIES

Original: English

7th Session of the Governing Board
Geneva, 27-29 May 2003

DECISION SHEET

The Governing Board,

5.6 American Red Cross

having taken note of the recommendations of the Finance Commission (doc. GB/5/1) concerning the non-payment by the American Red Cross of its annual statutory contributions to the Federation;

recalling and confirming its decisions on this matter since 2000;

recalling that the American Red Cross has stated that it will not pay its annual statutory contribution to the Federation until Magen David Adom (MDA) of Israel is admitted as a full member of the Federation;

reminded the American Red Cross that under the current statutes of the Movement it is not within the power of the Federation Governing Board nor of the General Assembly to admit MDA to the Federation, with its current emblem;

recalled that a proposal to resolve this issue through the adoption of a third protocol to the Geneva Conventions has been developed by the ICRC and the Federation for adoption by a diplomatic conference of states party to the Geneva Conventions, and welcomes the fact that the American Red Cross supports this approach;

reminded the American Red Cross of the membership duty it has under the Federation's Constitution to remit an annual contribution to the statutory budget of the Federation;

welcomed and encouraged the continuing contributions of the American Red Cross to the funding of Federation programmes as well as their direct contributions to National Societies, and **reminded** the American Red Cross that programme funding, while highly valuable, can not be used to fund core structures and activities and that the American Red Cross statutory contribution is 25% of the total annual statutory income of the Federation;

highlighted to the American Red Cross that the non-payment of its statutory contribution constitutes non-compliance with the Federation Constitution and has

SFC-ARC-A002114

already resulted in cutbacks and hardships which have caused serious harm to the Federation's ability to carry out its mission;

therefore, in the interests of unity and universality of the Movement, strongly called on the American Red Cross to pay, in the immediate future, its annual membership dues owing since 2000 which, including the arrears to date, amount to CHF 30.6 million;

hoped that, based on the spirit and philosophy of the Red Cross and Red Crescent which the American Red Cross shares, and of the humanitarian sentiments of its members, that the American Red Cross makes every effort to avoid a fracture within a humanitarian organisation which so greatly benefits humanity and which represents such hope for improving the dignity of millions of human beings.

SFC-ARC-A002115



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

June 17, 2003

Mr. Juan Manuel Suárez del Toro
President
Spanish Red Cross
28023 El Plantio
Madrid, SPAIN

Dear Mr. President:

I wanted to acknowledge with appreciation your good letter of 10 June 2003 concerning matters discussed by the Governing Board at their meeting last month. We are grateful for your support of the principled position of The American Red Cross with regard to the admission of Magen David Adom to the Federation even though we know that this has financial implications for the Federation.

The Board of Governors of the American Red Cross takes exception to some of the provisions of resolutions expressed in the "Decision Sheet" which you enclosed with your letter. As I advised you earlier, we stand by our decision to withhold Bareme payments until the Federation honors the principals of the Movement regarding Universality and Neutrality and admits Magen David Adom to the Federation. In doing so, we are mindful that the American Red Cross does not want to diminish in any way the important humanitarian services provided by the Federation or its members and on that basis, our Board has elected to withhold only two years of escrowed Bareme payments and to expend the balance of the funds for international humanitarian purposes. Those purposes will be identified in collaboration with the Federation to assure, insofar as possible, that we are supporting the regional priorities of the Federation.

At this critical time in the future mission of the Federation, the American Red Cross wishes to play a constructive role. We understand the difficulties of the Federation's financial situation – it is a common problem here and in other societies. We desire to be a positive partner in fulfilling the worthy mission of the Federation and the ICRC, but we are not prepared to

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SFC-ARC-A002116

Juan Manuel Suarez del Toro
June 17, 2003
Page 2

compromise the principals of the Movement in doing so. I am confident that we can find common ground to move our purposes forward and are anxious to work with you in this endeavor. We are grateful for your understanding and support.

Regards,

A handwritten signature in black ink, appearing to read "David T. McLaughlin". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David T. McLaughlin

SFC-ARC-A002117



**American
Red Cross**

**National Headquarters
Office of the President and CEO**

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To: David T. McLaughlin, Chairman
Red Cross Governors

Date: August 15, 2003

From: Marty Evans

Subject: Eastern Seaboard Power Outage
Update

By the time most of us learned about yesterday's massive power outage in Canada and the northeastern and central United States, the American Red Cross had already swung into action. In New York City, as thousands of people poured out of buildings and subway stations as they tried to make their way home in the sweltering August heat, the American Red Cross in Greater New York handed out bottled water and flyers on heat exhaustion. Red Cross volunteers were deployed to Penn Station, Grand Central Station, Port Authority, the George Washington Bridge Bus Terminal, the Brooklyn Bridge, the Flatbush and Jamaica subway stations in Brooklyn, and LaGuardia and JFK airports to help people cope with the sudden loss of civilization's amenities. In New City alone, more than 225,000 people received bottled water from Red Cross volunteers.

The Red Cross performed similar services in Connecticut, New Jersey, Ohio, Pennsylvania, and Michigan. Local chapters dispatched Emergency Response Vehicles, set up Emergency Aid Stations, and opened shelters and reception centers for people seeking a break from the heat. As state after state activated their Emergency Response Plans, Red Cross workers were called upon to staff Emergency Operations Centers through the night. In all affected areas, Mental Health Services volunteers acted swiftly to allay the stress of the situation. In Washington, D.C., the Red Cross was represented at the Department of Homeland Security's operations center, and, at national headquarters, the Disaster Operations Center was activated to support local unit activities. Additionally, a national news release was issued, stressing the importance of preparedness.

To support Red Cross relief, our corporate partners (including Sears, Kmart, Home Depot, and Nextel) have offered their assistance, and Culligan is supplying thousands of bottles of water. We are continuing to solicit targeted businesses.

Not surprisingly, Red Cross efforts attracted national media attention. Don Stephens, an experienced disaster responder, appeared on "Good Morning America" and MSNBC, succinctly summarizing the Red Cross in addition to offering practical suggestions in line with our Together

We Prepare initiative. Don is scheduled to appear on CNN later today. "Good Morning America" also aired a segment featuring a woman and baby from Atlanta who, after arrival by bus to New York last night, wept while saying that "nobody helped her except the Red Cross." CNN Headline News broadcast a live segment in front of a Red Cross comfort station, located outside Penn Station, and NBC's "Today" interviewed the mayor of Cleveland, who praised Red Cross services to stranded travelers.

Several chapters have reported leveraging these power outages to share the Red Cross preparedness message via their own local radio and TV stations – even in non-affected markets – and we continue to urge all chapters to use this opportunity to educate their communities about the importance of preparedness. All national media interviews are focusing on the practical steps outlined by our *Together We Prepare* campaign, and we have posted resources for the chapters and the public on CrossNet and Redcross.org (<http://www.redcross.org/news/ds/misc/030814blackout.html>).

As is our history, this sudden and unforeseen event brought out the best from our local units and highlighted the importance of our efforts to prepare our nation for the unexpected. I will update you if further events warrant. Please feel free to contact me at (202) 303-5319 with your questions or concerns.

SFC-ARC-A002119



Office of the Chairman
National Headquarters
Washington, D.C.

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To: Members of the Board of Governors **Date:** January 10, 2003
From: David T. McLaughlin **Subject:** Election of At-Large
Governors
cc: Marsha J. Evans

Together, Marty, Fred, as Chair of the Governance Committee, and I have been committed to recruiting high-caliber individuals to serve as at-large candidates on the Board of Governors. At today's Executive Committee meeting, we elected two outstanding individuals: Dr. Nita Clyde and Mr. Gregory Kozmetsky. Following these elections, there remains one vacancy in the at-large positions.

Dr. Clyde, a partner in Clyde Associates, a CPA executive consulting firm, has two decades of experience as a professor of financial and not-for-profit accounting and reporting. Nita has authored and is a frequent presenter on ethics for CPAs, and has been involved in numerous public accountancy boards, including the American Institute of Public Accountants.

Since 1977, Mr. Kozmetsky has served as President and CEO of KMS Ventures, Inc., a family supported private company, and since 1991 has served as President of the RGK Foundation. Greg is very active on community, foundation and corporate boards, including the Austin Children's Museum, Safe Place Corporation and Safe Place Foundation, St. Edward's University, M.D. Anderson Hospital, the Women's Museum, Keraplast, Inc., Hyperformix, Inc. and the Conference of Southwest Foundations.

Contact information for Nita and Greg are as follows:

Nita J. Clyde, Ph.D., CPA
Clyde Associates
12400 Degas Lane
Dallas, TX 75230
(972) 387-8266
(972) 387-8289 fax
njclyde@clydeassociates.com

Gregory A. Kozmetsky
KMS Ventures, Inc.
1301 W 25th Street, Suite 300
Austin, TX 78705
(512) 474-6312
(512) 474-6389 fax
gakoz@kmsventures.com

Also, the Executive Committee formally elected Mary S. Elcano as the General Counsel and Corporate Secretary, effective January 15. Please join me in welcoming Nita, Greg and Mary to our Red Cross family.



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

To: Red Cross Governors **Date:** December 22, 2003
From: David T. McLaughlin **Subject:** End of the Year Letter to the Board

As we approach the end of 2003, as a Governor there is a great deal in which you can take immense pride. We so often hear about what went wrong or about the actions that the Board took to prepare for the future that were unpopular – the negatives that are inevitable in an organization of our size and with the scope of our charter. I thought it might be a fitting way to conclude the year by recognizing just a few of the positive contributions among many that we should celebrate.

- We responded to everything from the explosion of an imaginary “dirty bomb” in the five-day TOPOFF 2 exercise to the all-too-real explosion of the Space Shuttle Columbia.
- We focused on disaster victims and took steps to more effectively deliver services, from toll-free call centers to client assistance cards.
- We responded to disasters from coast to coast, from Hurricane Isabel and her associated power outages on the east coast to the California fires on the west coast.
- We answered the call for help from those affected by the ice storms in Kentucky and Ohio and the wildfires in Arizona.
- We started the year still helping the victims of Super typhoon Pongsona in Guam and end it responding to the victims of floods in Puerto Rico.
- We brought comfort to people separated from their loved ones, from reuniting Holocaust survivors to helping 615,513 military families worldwide communicate in an emergency.

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SFC-ARC-A002121

- We carefully matched blood to the special needs of a single child suffering from sickle cell disease and vaccinated 14 million children in Kenya alone against measles.
- An American Red Cross Chapter in North Carolina supported the delivery of HIV/AIDS education to children in Lesotho in Southern Africa.
- During the hostilities in Iraq, the American Red Cross has facilitated the exchange of messages not only between military families but also between more than a thousand Iraqi families living in the U.S. and their loved ones in the Persian Gulf.

These and so many more disasters too countless to include. We should also take pride in and celebrate the management of the Red Cross. Under Marty's skillful direction, the organization has been strengthened and is highly focused. Marty has done an extraordinary job of restoring the trust of the American people in the Red Cross and as we close out the year, we need to do so with a clear expression of gratitude to her for her leadership.

On a more personal note, I want to thank each of you for your commitment to this great cause. As volunteers, you set the example for the millions of men and women who contribute their time and talents to saving lives and helping others every day of the year. You have had greater visibility in the Chapters and Blood Centers than ever before and have served as an inspiration for the entire organization. I owe you each my gratitude.

With warmest best wishes for a safe and enjoyable holiday and for a healthy and fulfilling New Year.



cc: Marty Evans



National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

September 16, 2003

The Honorable Anthony J. Principi
Secretary of Veterans Affairs
U.S. Department of Veterans Affairs
810 Vermont Avenue, N.W., Suite 1000
Washington, D.C. 20420

Dear Mr. Secretary:

It was an honor for us to have you at our Board of Governors Retreat last weekend, and I wanted to thank you for your participation. You have had such a varied and successful career that your perspective on the strategic issues that we discussed were enormously valuable.

There are a number of initiatives where collaboration between the Red Cross and the Veterans Administration can be productive and we look forward to working with General Kicklighter and you to make them a reality.

Again my thanks for your support.

Warm regards,

A handwritten signature in black ink, appearing to read "David T. McLaughlin". The signature is fluid and cursive.

David T. McLaughlin

cc: Marty Evans
bcc: Ross Ogden

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SFC-ARC-A002123



National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

August 18, 2003

Ms. Ann Kaplan
925 Park Avenue
Apartment 3A
New York, NY 20028

Dear Ann,

As we discussed in New York, we are moving ahead with your election to the Board of Governors and since this must be an action of the full Board, it is our intention to make this the first order of business at the Retreat that we are holding from September 11-13, 2003 at the Westfields Marriott in Chantilly, Virginia. If it were possible for you to join us for the retreat, we would be delighted and believe that you would benefit greatly from this as we are dealing with some important strategic issues that will alter the structure of the American Red Cross in the future. We would also benefit from your perspective on the issues.

Barbara Henderson, Manager, Board of Governors Office (202-303-5349), would be happy to arrange your logistics for this event if you can join us. We look forward to seeing you soon.

Regards,

A handwritten signature in black ink, appearing to read "David T. McLaughlin", written in a cursive style.

David T. McLaughlin

cc: Marty Evans
Barbara Henderson

Together, we can save a life

SFC-ARC-A002124

DMT - cc



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

March 25, 2003

Joe M. Allbaugh
c/o Federal Emergency
Management Agency
500 C Street, Suite 828
Washington, D.C. 20472

Dear Joe,

I wanted to thank you for serving on the Red Cross Board of Governors and for your support over the years. I realize more than most that this was not an easy task under Marty's predecessor, but the common goal of helping those in need kept it all together.

I wish you every success and look forward to staying in touch with you.

Warm regards,

David T. McLaughlin

cc: Marty Evans

Together, we can save a life

SFC-ARC-A002125



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

January 13, 2003

Ambassador James R. Jones
Manatt, Phelps & Phillips, LLP
1501 M Street, N.W.
Suite 700
Washington, D.C. 20005

Dear Jim,

Your letter of 7 January 2003 arrived as I was in India -- it is not what one hopes to have greet them on one's return. While I can understand and certainly respect your decision to resign from the Board of Governors, it will be a huge loss to the American Red Cross.

You have given the Red Cross wise and selfless service during some of its most difficult days and your leadership of the Presidential Search Process was exemplary from the standpoint of inclusiveness, objectivity, and wisdom. We will miss your good counsel and I, in particular, will lose a mentor who I admire enormously.

You are to be congratulated on your new role as Chairman of the World Affairs Councils of America. They could not have selected a better candidate.

We will have an opportunity to honor you before you leave, but I did want to share with you my thanks and warm wishes.

Regards

David T. McLaughlin

cc: w/incoming
Marty Evans
Fred Grein

Together, we can save a life

SFC-ARC-A002126

manatt
jones

GLOBAL
STRATEGIES

1501 M St., N.W., Suite 700
Washington, D.C. 20005

JAN 10 AM 11:40

James R. Jones
Phone: (202) 463-4375
email: jjones@manattjones.com

January 7, 2003

Mr. David McLaughlin
Chairman
American Red Cross
430 17th Street, NW
Washington, DC 20006

Dear David:

I take this opportunity to inform you that I must resign from the Board of Governors of the American Red Cross effective at the end of the Board meeting on February 1.

As you know, I will have to leave the Board at the annual convention this year since my term expires then. Because of a conflicting travel schedule, I will not be able to attend the convention.

That coupled with the fact that I have just been selected as National Chairman of the World Affairs Councils of America makes it necessary that I should resign after the next Board meeting. Because I will be announced as Chairman at the annual Washington meeting of the World Affairs Councils on February 1, I will also have to miss part of that morning's Red Cross Board meeting.

I want you to know how proud I am to have served on the Red Cross Board and especially how impressed I have been with your leadership of the Red Cross. You have guided the organization through a most difficult period and you have done it with tact, intelligence, vision and firm resolve. If I can ever be helpful to you, please just let me know.

Sincerely yours,


James R. Jones



K
National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

August 18, 2003

Ms. Ann Kaplan
925 Park Avenue
Apartment 3A
New York, NY 20028

Dear Ann,

As we discussed in New York, we are moving ahead with your election to the Board of Governors and since this must be an action of the full Board, it is our intention to make this the first order of business at the Retreat that we are holding from September 11-13, 2003 at the Westfields Marriott in Chantilly, Virginia. If it were possible for you to join us for the retreat, we would be delighted and believe that you would benefit greatly from this as we are dealing with some important strategic issues that will alter the structure of the American Red Cross in the future. We would also benefit from your perspective on the issues.

Barbara Henderson, Manager, Board of Governors Office (202-303-5349), would be happy to arrange your logistics for this event if you can join us. We look forward to seeing you soon.

Regards,

A handwritten signature in black ink, appearing to read "David T. McLaughlin", written in a cursive style.

David T. McLaughlin

cc: Marty Evans
Barbara Henderson ✓

Together, we can save a life

SFC-ARC-A002128



**American
Red Cross**

Office of the General Counsel
2025 E Street, N.W.
Washington, DC 20006

(202) 303-5433
(202) 303-0143 (Fax)

October 6, 2003

Ms. Ann Kaplan
925 Park Avenue
Apartment 3A
New York, NY 20028

Dear Ms. Kaplan:

As the General Counsel and Corporate Secretary of the American Red Cross, let me congratulate you on your appointment as a member of the Board of Governors of the American Red Cross. I hope the enclosed information will be helpful in acquainting you to the American Red Cross and the Board of Governors.

BOARD MEETINGS AND REFERENCES

The Board of Governors meets three times each year in January or February, in May or June in conjunction with our National Convention, and in mid-September. Upcoming events for the Board are as follows:

February 26-28, 2004: Board and Committee meeting, Washington, D.C.

May 20-23, 2004: Board and Committee meetings, National Convention in St. Louis, Missouri.

The standing committees of the Board meet at the same time as the Board meetings, as well as throughout the year. Much of the work of the Board is done through committees that review and make recommendations to the Board on policy and related matters falling within its particular field of jurisdiction. You have been assigned to the Finance Committee, which will meet in Washington, DC on Tuesday, November 4 at 2025 E Street, N.W. from 1:00 pm to 3:30 pm. With the exception of the Executive Committee which is limited to its members, you are welcome to attend any committee meetings. A description of each committee is found in the Board of Governors Corporate Governance Book and their slates are listed in the back of the 2003-2004 Governors and Officers booklet, both of which are enclosed.

Together, we can save a life

SFC-ARC-A002129

Ms. Ann Kaplan
October 6, 2003
Page 2

The following information is provided to assist you in your transition to the Board:

- Board of Governors Reference Book
- 2003-2004 Governors and Officers Booklet
- 2003-2004 Corporate Governance Directory which includes Board member expectations and committee descriptions
- List of current Committees Membership
- What to Expect about Board Meetings
- Contact Information for President and CEO and Board of Governors Office
- Schedule of Upcoming Meetings
- Dates of Future National Conventions

BOARD OF GOVERNORS FORMS

The following forms are to be completed and returned to Barbara Henderson, Manager in the Board of Governors' Office at American Red Cross, 2025 E Street, N.W., Washington, D.C. 20006-5307;

- Personal Information Form (please return with a photograph)
- Code of Conduct
- Travel Services Update and Profile
- Computer and Communications Equipment Survey
- Credit Card Application

It is my pleasure to welcome you to the American Red Cross Board of Governors. Please do not hesitate to call me at (202) 303-5422 if you or your staff have any questions.

Sincerely,



Mary S. Elcano
General Counsel and
Corporate Secretary

cc: David T. McLaughlin, Chairman ✓
Marsha J. Evans, President and CEO

SFC-ARC-A002130



National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

August 20, 2003

Mr. William Lucy
International Secretary-Treasurer
American Federation of State,
County and Municipal Employees
AFL-CIO
1625 L Street, N.W.
Washington, D.C. 20036-5687

Dear Bill,

Ross shared with me the concerns that you had expressed in your meeting about your inability to attend as many ARC meetings as you feel that you should. I understand the challenges of scheduling multiple obligations but hope that you will stay on the board for as long as possible. You bring an important perspective to the issues we are confronting and I would be glad to arrange some special briefings for you for those occasions when you or we feel that it would be desirable.

Marty and I will go to work on scheduling a session with you and John Sweeney – we are long overdue, which is probably my fault for not being more attentive to this commitment.

Regards and thanks for your support.

Sincerely,

A handwritten signature in black ink, appearing to read "D. McLaughlin", written over a horizontal line.

David T. McLaughlin

cc: Marty Evans

Together, we can save a life

SFC-ARC-A002131

D.T. McLaughlin

From: HAWKINS, MIKE [HAWKINS@dinslaw.com]
Sent: Tuesday, May 06, 2003 2:45 PM
To: bkj2562@aol.com
Cc: orionsafety@tds.net; evansm@usa.redcross.org; mcurrya@usa.redcross.org; prevattec@usa.redcross.org; jonesg@usa.redcross.org; majewskb@ursa.redcross.org; pellers@cincinnatiaredcross.org; costellov@cincinnatiaredcross.org
Subject: XVII Inte-American Conference, Santiago, Chile, April 23-26, 2003

I recently returned from the XVII Inter-American Conference of the Red Cross of the Americas held in Santiago, Chile. Upon returning from that wonderful experience, I want to share with you some thoughts and observations which further support the fundamental involvement of the American Red Cross in International Services.

The two major themes of the conference were the Red Cross Initiative to increase health equity and strengthen the capacity of local societies in the Americas. The goal is to reduce risk and improving coordination towards an integral disaster-management system in the Americas. At the opening of the conference we heard presentations by the National President of the Chilean Red Cross, President of the InterAmerica Regional Committee, Vice President of the International Committee of the Red Cross, President of the Standing Commission of the Red Cross and Red Crescent (Princess Margriet), President of the International Federation of the Red Cross and Red Crescent Societies and President of the Republic of Chile. On subsequent days we heard presentations by representatives of the Federation, various Red Cross Societies throughout the Americas on their particular programs and efforts and reports from some other societies such as the German Red Cross which is involved in building homes and communities in the Americas following disasters.

There were several main themes that seemed to evolve around the fact that there is a great deal of assistance needed through the Americas for those who are vulnerable and that the most effective way to address the need is through a solidarity of human respect and continuing efforts to keep up the cooperative network that exists amongst the Red Cross and Red Crescent. Initial emphasizes was that we are a global society and that all Red Cross/Red Crescent Societies must have an interest in personal dignity and humanitarian aid outside of their own countries. One of the speakers commented about an old Chinese proverb that says that we are all "born naked, wet and hungry and then it gets worse". The emphasizes is that we must break this old Chinese proverb for all people. Jacques Forster from the ICRC emphasized that much of the war-like conflict taking place throughout the world is causing significant economic and social problems. All of this has significantly increased the need for humanitarian relief. He also cited examples where the gap between rich and poor challenges the stability in countries. In addition, he emphasized that humanitarian law in this environment is extremely important because it establishes the basic values that must persist. Princess Margriet of the Netherlands, who is the Chair of the Standing Committee, emphasized the importance of building cooperation between Red Cross/Red Crescent Societies and Geneva. She emphasized that if Geneva loses touch with the movement in the field, it will not be successful. She also emphasized that while poverty is expected to grow, so also are the poor hard hit in the face of disasters or conflict. We must all remember that we are a global movement and as a movement we are stronger working together. A few of her words which I was most struck by were really a challenge to all in the Red Cross movement. She stated "our movement must be much greater, bolder and more significant - we have to stand and move as a movement - our work is about people and about humanitarian action - let's make our action bolder than words". I would submit that based on the International Services Committees' renewed focus since our meeting last Fall we are on the right track and should continue this focus and effort.

The President of Federation of Red Cross/Red Crescent Societies, Mr. Juan Manuel Deltoro, emphasized that we are all united by our diversity with a common focus on humanitarian values. The world now needs the Red Cross fundamental principles more than ever. We must focus on improving sanitary conditions, address HIV Aids, and reduce illness throughout the world. In addition, we should demonstrate how the Red Cross Movement can work with the ministries of health. We can do this by working in partnership with other Red Cross Societies to assist vulnerable communities. We must protect human worthiness as it is the essence of the International Conference and Red Cross. We should strive to create a cultural of tolerance and peace which will result in a better and more just world.

On the following day we heard from Didier Cherpitel, the Secretary General of the Federation of the Red Cross/Red Crescent Societies. He focused on Strategy 2010 and emphasized several objectives that all Red Cross/Red Crescent

Societies should be focused upon and that the Federation will be working toward. They involve the following:

1. Strengthening National Societies through money, people and lessons learned. We need to help develop resources, increase the fund raising for International Services in each country. As part of this, each Red Cross Society must better fit with the culture and diversity of their countries.
2. Coordination, cooperation and partnerships must be further developed between Red Cross/Red Crescent Societies. There must be an ever present focus upon youth involvement.
3. Representation and advocacy - increase the presence and profile of the Federation and Red Cross Societies in the respective regions. We must also develop advocacy in communication campaigns.

The challenges ahead that he emphasized are:

1. Human resources - emphasize that all national Societies must strengthen their staff and volunteer base and continue using talents and resources in their Region.
2. Advocacy communication and external relations. The National Societies should develop liaisons with a more regional focus. In addition, the Federation should develop a stronger advocacy representation in communication.
3. Sustainability - National Societies must become self-sufficient in order to create a strong and effective Federation that meets the challenging needs of all communities.

As far as the role for National Societies, he emphasized several points:

1. The development of strategy 2010.
2. Must be active involvement in the National Societies in developing cooperative assistance strategies to ensure that the Societies meet their priorities.
3. There must be full engagement in the process to ensure effective coordination between National Societies.
4. Make the success of change in the Americas a collective achievement to share with the rest of the Red Cross Movement and demonstrate our commitment and our passion to serve the vulnerable for this is our duty.

There was also a lot of discussion about the fact that all societies are dependent on each other in reaching the needs of vulnerable people throughout the world and the Movement's focus should be to be stronger together in reaching vulnerable people with effective humanitarian action. Throughout the remainder of the second day and in to the third day, the presentations dealt with examples of how the various societies are implementing these strategies and discussion and examples of the vulnerability of people throughout the world and particularly in the Americas. In all of this, it was made clear that poverty, discrimination, social and political issues and exclusion are the factors that contribute to vulnerability. The poorest are the most exposed to disasters and this causes bigger demand and preparation. We need to work on risk management. Our challenge will be to demonstrate to our governments and others within our countries that the investment in community preparedness can reduce the risk. We must link up with other partners both public and civil to accomplish these goals.

We also received an update on the Iraq situation from Jacques Forster. Mr. Forster emphasized that the ICRC had significant presence in Iraq since the Gulf War and that they had a key understanding in the country about various issues and had wide experience and knowledge and health services. He stated that there has been close cooperation with the ICRC and the Federation around communications, coordination, mobilization and safety issues. As far as achievements, he indicated that there had been really good focus on International humanitarian law, they were able to access the POW's held by the coalition, provided assistance to families establishing links with other family members and they successfully acted as a neutral intermediary with hospitals and water supply.

The difficulties in the Iraq situation were:

SFC-ARC-A002133

- 1. A difficult environment, limited staff and safety issues.
- 2. Lack and inability to have access to POW's held by Iraq.
- 3. The Delegation had to establish clear priorities and could not do assistance for all. Some of the assistance areas that could not be met were (a) diplomats stranded; (b) deaths of reporters; (c) message transmission for individuals (d) Iraq citizen requests; and (e) security constraints.

He did note that the Senior Management of the Red Crescent Society in Iraq is all but gone and that they were working in the various community remnants of the Society. As for his perspective on the future, he did indicate that during the time we were at the Conference that 22 national societies had met in Geneva, developed a coordinate plan to assist with humanitarian relief in Iraq. The key points were:

- 1. Security is high on the agenda. There is a high potential for violence.
- 2. Convoys of relief goods to the country were in process and already convoys to Basra and the North were being deployed.
- 3. Experts in water sanitation were working in the country.
- 4. Various independent humanitarian activities were ongoing.
- 5. Importance and urgency of establishing the Red Crescent in Iraq.
- 6. Importance that the ICRC must act in an independent way even to the point of no armed escorts or military logistics involved.

While this creates some challenges, he indicated that it is very important that they be seen as totally independent in Iraq.

Based upon the above, you can see that challenges are ahead and there are great opportunities for the American Red Cross through its International Services to be a leader and make a difference for those less fortunate throughout the world. It further emphasizes our need to do fundraisings for International Services so we continue to be a leader in humanitarian relief and partner with other societies.

Michael W. Hawkins, Dinsmore & Shohl, LLP, 1900 Chemed Center, 255 E. Fifth Street, Cincinnati, OH 45202

(513) 977-8270, michael.hawkins@dinslaw.com

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**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

Member
Board of Governors

December 15, 2003

James T. Morris
Executive Director
World Food Programme
Via Cesare Giulio Viola, 68/70
Parco De' Medici
00148 Rome
Italy

Dear Jim,

I regret that I could not have thanked you personally for the contribution that you made to the American Red Cross during your term as Governor. Your wisdom and experience were of enormous value – I only regret that your term was shortened by the important assignment that you now have.

With gratitude and best wishes for a fulfilling New Year and enjoyable holiday.

Regards,

David T. McLaughlin

bcc: Marty Evans
Gerry Jones

Together, we can save a life

SFC-ARC-A002135

D.T. McLaughlin

From: McConnell, William (HQ) [wmcconne@guldant.com]
Sent: Tuesday, September 16, 2003 12:20 PM
To: orlonsafety@tda.net; jon@huntzman.com; Buzz.Heidt@thepenrodcompany.com;
 evansm@usa.redcross.org
Subject: My Apologies

I hope that each of you received my message about my wife's injury and my not being able to attend the Board committee meetings, the Board meeting and the retreat last week.

My wife is fine now and is able to get around ok with her injured foot. While her injury was never that serious, I felt it important that I be with her in Indianapolis while we worked through the issue rather than being a half day or more away should she need to receive additional treatment from an orthopedist.

I look forward to catching up on the activities that took place and to being an active and helpful Board member.
Bill

↳ E Mail

Dear Bill

We missed you at the retreat
 but were even more sorry when
 we learned the cause of your absence.
 I hope that your wife is now mobile.
 I will give you a call to
 busy you up to date.

JJ

SFC-ARC-A002136

9/16/2003

PAGE 1

SEP-23-2003 TUE 11:58 AM FROM: ORION SAFETY D MCLAUGHLI FAX: 1 603 526 7324

*Niemiec***Henderson, Barbara**

From: Henderson, Barbara
Sent: Friday, November 21, 2003 3:28 PM
To: 'Susan_E_Vlasak@bluecrossmn.com'
Cc: 'Ross Ogden'; Evans, Marsha; Sicilia, Terry J.
Subject: RE:E-mail from David McLaughlin

*for
Dick Niemiec
BC - BShel
minis*

Dick,

Many thanks for your comments on the Atlanta meeting. While it was "difficult" it would have been worse if those who disagreed had not spoken up. Your suggestions are excellent and I have shared them with Marty and others.

Dave

-----Original Message-----

Niemiec
From: Susan_E_Vlasak@bluecrossmn.com [mailto:Susan_E_Vlasak@bluecrossmn.com]
Sent: Thursday, November 20, 2003 10:15 AM
To: Henderson, Barbara
Subject: Response to David McLaughlin

Barbara, please forward this response to David. Thanks, Dick

David, thanks for asking for my feedback on the Atlanta Town Hall Meeting.

I didn't attend the LA or St. Louis meetings so I can't judge the relative negativity in Atlanta but would assume it was the most negative of the three. Based on my Minnesota chapter visits, conversations with some of my BoG colleagues and the Atlanta meeting I feel we have a "10% problem" (my guesstimate - nothing scientific). Of the "10%" who are protesting I believe over half of them could be on board if someone (BoG or staff) would spend some time with them to clear up the misconceptions. The remainder may continue their resistance to change. I feel we need to spend time with them also but not necessarily expect buy-in.

Relative to Atlanta I was disappointed that some folks seemed to base their comments on opinions they had coming into the meeting - without factoring in the information Marty, Terry, Mary and you presented. Again let's continue to talk to them. I also thought that you as presenters did a good job of listening.

BoG made the policy decision. I think we could be effective in talking to the chapter board chairs. Your message was great. It was more expansive than my message in my earlier chapter visits. Since most BoG members have served in local board roles we have credibility with the chapter boards. The point is one Red Cross with consistent service delivery and accountability. The chapter boards have the same responsibilities as before but what's different is "providing the service area executive with shared oversight and advice". We can sell that in most cases.

I have several specific communication suggestions:

- Define the relationship between the chapter boards and BoG. Is there any formal or informal liaison role?
- Emphasize that performance standards will be the measure of chapters.
- End the concern about disenfranchisement of chapter board members. It has not happened. You said it - the chapter boards are still governing boards. (This is similar to what I heard from the blood boards last year when they went to advisory. We defused the disenfranchisement issue there.)
- More explicitly define the interaction between the chapter boards and the service area

11/21/2003

SFC-ARC-A002137

executive.

Thanks the feedback opportunity. Let me know how I can help.

Dick Niemiec
Sr. Vice President, Corporate Affairs &
Subsidiary Operations
Blue Cross and Blue Shield of Minnesota
Phone: 651-662-8550
Fax: 651-662-1813

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Unencrypted, unauthenticated Internet e-mail is inherently insecure. Internet messages may be corrupted or incomplete, or may incorrectly identify the sender.

Henderson, Barbara

From: Henderson, Barbara
Sent: Thursday, March 20, 2003 7:31 AM
To: 'Ross Ogden'
Cc: Evans, Marsha; Prevatte, Carolyn; Douglas, Cheryl
Subject: RE: From David McLaughlin re Convention Presenters

Ross,

I agree that we should have several of our Presidential appointed Governors on the podium at the Convention. Ridge would be wonderful as would Paige and/or Thompson -- I suspect that Meyers may be busy. Let's leave the idea with Marty and the convention planners and I will offer your help as well as my own should they determine that they need it. Great idea -- many thanks.

Dave

-----Original Message-----

From: Ross Ogden [mailto:ogdenr@optonline.net]
Sent: Wednesday, March 19, 2003 6:49 PM
To: Henderson, Barbara
Subject: Fw: Convention Presenters

Barbara, Forwarded to you in case David is in DC this week.

Ross

----- Original Message -----

From: Ross Ogden
To: David McLaughlin
Cc: Evans, Marsha ; McCurry, Alan
Sent: Wednesday, March 19, 2003 12:14 PM
Subject: Convention Presenters

David,

It may be too late for this suggestion, but I'd like to see some of our Federal appointees and/or their designees as a part of this year's convention program.

For example, Health & Safety will be highlighting their collaboration with the Department of Education in promoting school preparedness. It would be great if Secretary Paige were a part of their presentation, or at least Judge Andell. Likewise, Secretary Ridge might address the convention on the role of the Red Cross in preparedness and response, General Meyer (or Gen. Cribbs) could express appreciation for the role we play in AFES, and Sec. Principi (or Gen. Kicklighter) might comment on the ARC role with veterans, etc.

I believe with the increased efforts we have made to involve Federal appointees over the past year and the administration's desire for visibility in anticipation of the election, the invitations will be enthusiastically accepted.

SFC-ARC-A002139

3/20/2003

Henderson, Barbara

From: Ross Ogden [ogdenr@optonline.net]
Sent: Wednesday, March 19, 2003 6:49 PM
To: Henderson, Barbara
Subject: Fw: Convention Presenters

Barbara, Forwarded to you in case David is in DC this week.

Ross

— Original Message —

From: Ross Ogden
To: David McLaughlin
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I believe with the increased efforts we have made to involve Federal appointees over the past year and the administration's desire for visibility in anticipation of the election, the invitations will be enthusiastically accepted.

Ross

SFC-ARC-A002140

3/20/2003

/O=AMERICAN RED CROSS/OU=ARCHQ/CN=RECIPIENTS/CN=HENDERSONB

From: D.T. McLaughlin [orionsafety@tds.net]
Sent: Wednesday, March 19, 2003 2:33 PM
To: McLaughlin@tds.net
Cc: Henderson, Barbara
Subject: FW: Convention Presenters
Importance: High

-----Original Message-----

From: Ross Ogden [mailto:ogdenr@optonline.net]
Sent: Wednesday, March 19, 2003 12:14 PM
To: David McLaughlin [DC]; David McLaughlin
Cc: Evans, Marsha; McCurry, Alan
Subject: Convention Presenters

David,

It may be too late for this suggestion, but I'd like to see some of our Federal appointees and/or their designees as a part of this year's convention program.

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I believe with the increased efforts we have made to involve Federal appointees over the past year and the administration's desire for visibility in anticipation of the election, the invitations will be enthusiastically accepted.

Ross

SFC-ARC-A002141

3/19/2003

Henderson, Barbara

From: → Ross Ogden [ogdenr@optonline.net]
Sent: Tuesday, December 02, 2003 11:08 AM
To: David T. McLaughlin; Evans, Marsha
Cc: Henderson, Barbara
Subject: Re: town hall summary

David,

I will be glad to join you in Philadelphia; let me know the time and place of the meeting. It would be especially helpful to have Marty with us as she can speak directly to several of Mr. Cohen's operational concerns.

Ross

----- Original Message -----

From: "David T. McLaughlin" <mclaughlin@tds.net>
To: "Marty Evans" <evansm@usa.redcross.org>
Cc: "Barbara Henderson" <hendersonb@usa.redcross.org>; "Ross H. Ogden" <ogdenr@optonline.net>
Sent: Monday, December 01, 2003 4:11 PM
Subject: town hall summary

>
>
> Marty Your letter to the board of 26 November was very helpful. I
> sent you the draft summary that John Danzeisen shared with us after
> the metro magr chair meeting which both Ross and I felt was
> constructive and non confrontational. It was a bit more bland than
> the early rhetoric of the meeting but it does indicate where we came
> out at the end of the day.
>
> The one thing they stressed was to communicate the fact that the
> changes will be addressed to all chapters but the non performing
> chapters will recieve priority attention and that strong chapters will
> need to partner with national and other chapters in raising the bar
> for everyone. They
felt
> that leading with the "change in direct line authority" theme made
> people focus on this aspect of the announcement rather than the
> programmatic advantages of the change. We advised them that we did
> this so that there was no misunderstanding of the structure and that
> we wanted to be up front about this. In future communications you may
> want to consider the change
in
> emphasis and looks to me like you already have. We did stress that if
> ARC
is
> to make quantum moves ahead in the near future, it will have to come
> from greater
>
> Your introduction of the distinction between issues determined by
> "local approval" and those by "service area approval" could be very
> useful as
long
> as it does not reopen the issue of the loss of authority by the local
> board -- since some of that authority will be shared rather than held
> unilaterally by the chapter.
>

> I am trying to set up a date to meet with David Cohen and some of his
board
> and will ask Ross to join me and if you or anyone on your team wants
> to be there it would be helpful so that we have a united front. I am
> not optimistic that we can satisfy their concerns as we will not be
> changing
our
> position but the fact that we are willing to sit down with them or
> others could be a constructive message for others.
>
> It will be nice to have this matter behind us as we go into the New
> Year.
>
> Dave
>



**American
Red Cross**

**National Headquarters
430 17th Street, N.W.
Washington, DC 20006**

**David T. McLaughlin
Chairman**

March 25, 2003

The Honorable Tom Ridge
Homeland Security Advisor
White House Office of
Homeland Security
The White House
Washington, D.C. 20502

Dear Mr. Secretary:

I wanted to welcome you to the Board of Governors and to tell you how pleased we are to have you associated more formally with The American Red Cross. Our goals and charter have great overlap with those of the Department of Homeland Security and we look forward to a mutually supportive relationship.

On behalf of my colleagues, I will look forward to welcoming you to our Board of Governors whenever it will be convenient for you to attend one of our meetings.

Warm regards,

David T. McLaughlin

cc: Marty Evans

bcc: Mary Elcano
Fred Grein

Together, we can save a life

SFC-ARC-A002144

- October 3, 9 a.m.–11 a.m.: Join me in welcoming Mayor Bloomberg in Times Square and ringing the opening bell at the NASDAQ.
- October 3, 11:30 a.m.–1:30 p.m.: Join me in hosting the corporate luncheon and recommend invitees.
- November 20, 10:30 a.m.–11:30 a.m.: Participate as one of the keynote speakers during the closing press conference.

I hope you will join me in participating in these two important national events, should your schedule permit. Radha Muthiah, Vice President of Donor Strategy, is very happy to work with your staff regarding your attendance, and can be reached at 202-303-5648 or muthiahr@usa.redcross.org. Please feel free to contact me with any questions; otherwise, I will look forward to seeing you at the upcoming Board of Governors meeting.

SFC-ARC-A002146



**American
Red Cross**

Together, we can save a life

Fax

*Sent again on
Sept 15, 2003*

**American Red Cross
430 17th Street, N.W.
Washington, D.C. 20006
Tel: 202 - 303-4035
Fax: 202 - 303-0148**

David T. McLaughlin, Chairman

**Barbara Henderson, Manager
Board of Governors Office and
Assistant to the Chairman**

To: Linda
For David McLaughlin

From: Joan Man
For Barbara Henderson

Phone

Direct Phone (202) 303-4035
Direct Fax: (202) 303-0148

Fax (603) 526-7324

Date: September 4, 2003

**Re: 2003 Save A Life Tour Update and
Invitation**

Pages: 3, including cover

Confidential

Linda:

The attached was on Barbara's chair this evening (we were all in another room working on the Board mailing that went out tonight). This is for David's attention.

Hope you are doing well.

SFC-ARC-A002147

- October 3, 9 a.m.–11 a.m.: Join me in welcoming Mayor Bloomberg in Times Square and ringing the opening bell at the NASDAQ.
- October 3, 11:30 a.m.–1:30 p.m.: Join me in hosting the corporate luncheon and recommend invitees.
- November 20, 10:30 a.m.–11:30 a.m.: Participate as one of the keynote speakers during the closing press conference.

I hope you will join me in participating in these two important national events, should your schedule permit. Radha Muthiah, Vice President of Donor Strategy, is very happy to work with your staff regarding your attendance, and can be reached at 202-303-5648 or muthiahr@usa.redcross.org. Please feel free to contact me with any questions; otherwise, I will look forward to seeing you at the upcoming Board of Governors meeting.

SFC-ARC-A002149

HP OfficeJet G Series G85xi
Personal Printer/Fax/Copier/Scanner

Fax-History Report for
Barbara Henderson
202-303-0148
Sep 15 2003 3:08pm

*True
Fax of same
document*

Last Fax

<u>Date</u>	<u>Time</u>	<u>Type</u>	<u>Identification</u>	<u>Duration</u>	<u>Pages</u>	<u>Result</u>
Sep 15	3:07pm	Sent	916035267324	1:16	4	OK

Result:

OK - black and white fax
Okay color - color fax

HP OfficeJet G Series G85xi
Personal Printer/Fax/Copier/Scanner

Fax-History Report for
Barbara Henderson
202-303-0148
Sep 04 2003 7:51pm

Last Fax

<u>Date</u>	<u>Time</u>	<u>Type</u>	<u>Identification</u>	<u>Duration</u>	<u>Pages</u>	<u>Result</u>
Sep 4	7:50pm	Sent	916035267324	1:08	3	OK

Result:

OK - black and white fax
Okay color - color fax



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

From DTM

December 5, 2003

Mukesh D. Ambani
Chairman & Managing Director
Reliance Industries Limited
Maker Chambers IV, 4th Floor
222, Nariman Point
Mumbai - 400 021, India

Dear Mukesh,

I was delighted to have the opportunity to meet you and your wife in Geneva. It was a very special occasion and your remarks were extraordinary - the best articulation that I have heard concerning the mutual interests of the private sector and humanitarian organizations.

I admire your leadership of the Foundation and will certainly do all that I can to support your efforts. Enclosed is a copy of the "talking points" that were developed for me for the Foundation meeting together with a chart suggesting an outline of the process of solicitation. You or Jeremy may find them to be helpful. I am concerned about having dedicated development staff assigned to the Foundation as it is new ground for the Federation and there has been no track record of effective fund raising thus far. Since the Foundation is a separate legal entity, this would argue for such an arrangement.

Again my thanks and best wishes.

Regards,

David T. McLaughlin

Enclosures.

bcc: Marty Evans
Gerry Jones

Together, we can save a life

SFC-ARC-A002152

**Key Messages and Suggested Talking Points for Federation Foundation Board Meeting –
11/29/03**

- The American Red Cross is supportive of 'Health and Community Care Programs' as the overall theme for the Foundation Board's funding priorities. Focusing on such devastating and widespread health issues as HIV/AIDS, TB, measles and malaria provides the International Federation with an opportunity to present its work in these areas as global in scope and impact while allowing donors to respond at either a global, regional or country-specific level. For this reason, we believe it would be preferable for the FFB to prepare program profiles in each of the five areas proposed (HIV/AIDS, measles/water and sanitation, malaria, TB and First Aid) which represent the global RC/RC approach, allowing donors the option to focus their giving. As currently presented, the programs are largely regional in scope and neglect both the Americas and the Middle East.
- Leveraging the strength of the RC/RC Movement to achieve global impact in areas of mutual interest and benefit to the Federation and its National Societies will be attractive to donors with global presence and interests.
- Funding priorities chosen for the FFB to represent must be seen as mutually beneficial to both the Federation and National Societies represented on the FFB. The American Red Cross prefers an 'open cooperation' model which ensures the opportunity for the NS to participate as a partner in the service delivery of the program funded by a donor in their country (if the NS has both capacity and interest to implement).
- FFB members fundraising efforts will focus on the agreed upon program areas and *not* on Federation Secretariat funding needs or operating costs of the FFB.
- The American Red Cross agrees at this time to review the proposed draft 'program profiles' developed by the Federation with its operational staff to gauge the potential for U.S. donor interest and ARC programmatic strategic interests. We will provide our feedback as soon as possible.

Donor Relationship Management Program for Federation Foundation Fundraising

In a world where companies are becoming more and more global in their make-up and their philanthropic interests, we must respond to these needs. By developing a common, unified fundraising approach for approved and agreed upon strategic program areas, the Red Cross/Red Crescent Movement can be the leader in securing philanthropic support for humanitarian efforts.

The proposed Red Cross/Red Crescent donor relationship management process is designed to meet the needs of our donors and maximize the financial support from major donors to support the priorities of National Societies in alignment with agreed upon sectoral program areas. Our intent is to create a helpful system across the Movement that provides value and resources as strategies are designed and implemented. Our work will start with "top" prospects which can provide the greatest financial support. The goals are to:

- Not leave money on the table – create strategic asks that are appropriate to the donor's capacity, interests and propensity
- Provide a "one Red Cross/Red Crescent" menu of opportunities to donors

- Grow strong relationships that bring in over time regular high level financial support
- Not be bureaucratic, rather provide a smooth process that is donor focused
- Create a system that has accountability for participation

Key to the success of this process is a well defined strategy and implementation plan. There are six major steps to the donor relationship management process. These include: 1) pre-qualification of donors; 2) selection of donors for inclusion; 3) assignment of donors and participants in the process; 4) donor strategy development; 5) strategy implementation and 6) donor recognition.

The National Society where the headquarters or individual donor's primary residence is located will serve as the lead with that prospect.

The National Society convenes the Relationship Management Team from among the stakeholders to determine who will play the donor relationship manager role and primary/secondary contact roles.

Additionally, the team will perform the following functions:

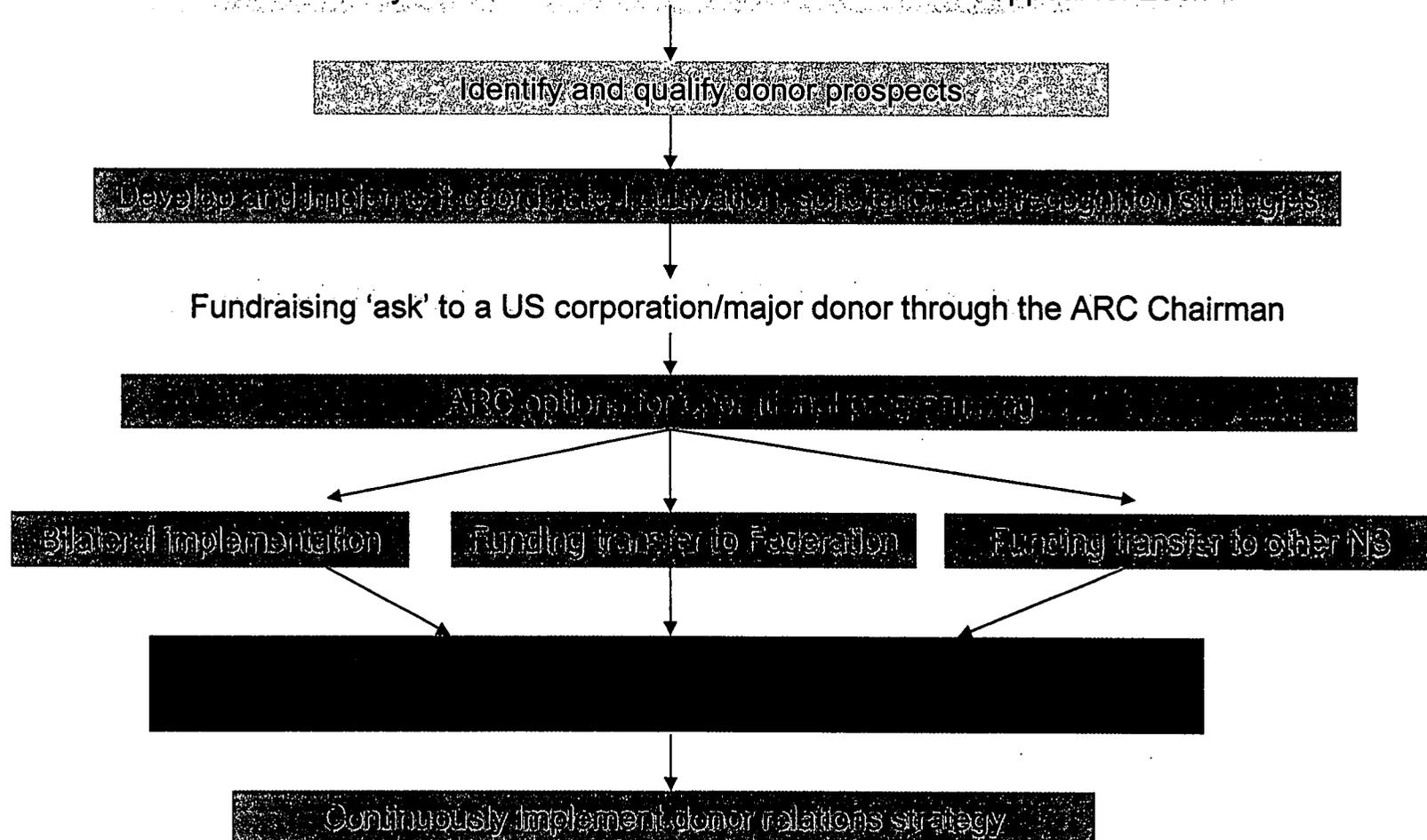
- Strategy Development
- Strategy Implementation
- Quarterly Review of prospect activity and strategy

By working together, the Red Cross can maximize resources, focus program funding where needed most and meet the needs of an ever more global donor base.

November 20, 2003

Federation Foundation Board – Main Principles and Mechanisms

Five sectoral and geographic program areas focusing on: TB, HIV/AIDS, Malaria, Measles/Water and Sanitation and First Aid. The goal is to raise US \$25 million over 5 years based on a Global Health and Care Appeal for 2004





18 May 07

Rich

You are wonderful - you
made the day for
everyone in the New York
Chapter but also for
Marty Evans, our President
and me!

You are the best!!

Regards

bcc: Mel Karmazin
Marty Evans
Bob Bender

DAVID T. McLAUGHLIN
46 Newport Road, Suite 205, New London, NH 03257



Mr. Richard Bressler
Chief Financial Officer
Viacom inc.
1515 Broadway
New York, NY 10036-5702

SFC-ARC-A002156



American Red Cross
in Greater New York

Executive Office
150 Amsterdam Avenue
New York, NY 10023
(212) 875-2001
Fax: (212) 875-2309
bender@arcgny.org

May 7, 2003

Mr. Richard Bressler
Chief Financial Officer
Viacom Inc.
1515 Broadway
New York, NY 10036-5702

TO: Dave McLaughlin
FBI
Rich

Dear Mr. Bressler:

Thank you so much for supporting the American Red Cross in Greater New York's 2003 Award Dinner Dance, which was held on April 8, 2003, at Cipriani 42nd Street. Through the generosity of you and many others, we were able to raise more than \$860,000, making it our most successful dinner ever.

In periods of crisis – be it a building fire, an earthquake around the world, an airplane crash or the World Trade Center terrorist attacks – the Red Cross meets people's needs, helping them to cope and to restore normalcy to their lives. In periods of calm, Red Cross volunteers keep busy teaching health and safety classes, transporting the chronically ill patients to and from medical appointments, nurturing homeless children and their mothers, responding to family tracing requests, monitoring the homebound elderly and helping area residents prepare for emergencies.

All of this is accomplished thanks to the voluntary contributions of time and funds from our friends like you in the community.

Many thanks for making this event such a tremendous success.

Cordially,

Robert M. Bender, Jr.
Chief Executive Officer

In accordance with Internal Revenue service requirements, this letter confirms that the entire gift of \$10,000 can be considered a charitable contribution for tax purposes and that no goods or services have been provided in exchange by American Red Cross in Greater New York.

SFC-ARC-A002157



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

August 11, 2003

Linda S. Broyhill, Esq.
Chairman
2003 Committee on Resolutions
Reed Smith, LLP
3110 Fairview Park Drive, Suite 1400
P.O. Box 12001
Falls Church, VA 22042

Dear Ms. Broyhill:

This is to follow-up on your letter of July 1, 2003 regarding the 2003 Committee on Resolutions. The Board of Governors considers the policy recommendations that emerged from the resolutions process of the National Convention essential to our democratic process.

As Governor Bill Gagliano stated at the Convention, the Governance Committee of the Board of Governors will review matters regarding the resolutions process. This effort is currently proceeding. In addition, the Board Liaison to the 2003 Committee on Resolutions, Dr. Lee Goldstein, and a member of the Governance Committee will be in touch with you and the new Chair of the Committee to conduct a post-Convention evaluation review in the near future.

We appreciate your attention to these matters.

Regards,

David T. McLaughlin

cc: Dr. Lee Goldstein
Marsha J. Evans
Mary S. Elcano

Together, we can save a life

SFC-ARC-A002158



National Headquarters
8111 Gatehouse Road
Falls Church, VA 22042

For GOVERNANCE COMMITTEE MEETING 7/18

July 1, 2003

David McLaughlin
Chairman

Dear Mr. McLaughlin:

We appreciate the kind offer expressed by Governor Bill Gagliano at the Open Hearing on Resolutions on May 31, 2003, to address issues raised by the 2003 Committee on Resolutions (the "Committee") at the National Convention. Specifically, we request that the facts and circumstances which gave rise to the Committee not having access to requested materials be reviewed and that findings and conclusions be issued in a report and presented to the Board of Governors ("BoG") as an agenda item for its consideration and action during the September 12-14, 2003, meeting. In order for us to bring this matter to closure, we respectfully request that the BoG advise the Committee on or before October 1, 2003, of its intended course of action regarding the resolutions process.

It is the sincere interest of every member of the Committee to cooperate with the BoG to enhance communications and improve an understanding of the resolutions process for the good of the organization. We are especially interested in coordinating with Mr. Gagliano and other members of the BoG in their efforts to improve the Committee's access to materials and resource persons. Such access is imperative to the Committee's ability to consider fully the subject matter of resolutions.

Accordingly, we accept the offer made by Mr. Gagliano and look forward to working with the Governance Committee to this end. Please be assured that the undersigned and all other members of the 2003 Committee on Resolutions are available to participate in this important review process. I am available to confer with Mr. Gagliano over the summer months. Please have him contact me to schedule a meeting. I can be reached at: (703) 641-4328, or lbroyhill@reedsmith.com.

Sincerely,

Linda S. Broyhill, Chairman
2003 Committee on Resolutions

LSB: kg

Attachment

cc: Bill Gagliano
Chair, Governance Committee

Dr. Lee Goldstein
BoG Liaison to the 2003 Committee on Resolutions

Marsha J. Evans
President and CEO

Mary S. Elcano
Corporate Secretary and General Counsel

Members, 2003 Committee on Resolutions

DARTMOUTH COLLEGE
Office of the President-Emeritus
The Gallery
276 Newport Road - Suite 205
New London, New Hampshire 03257-4241

F

Dec. 9, 2003

Thomas E. Bryne III
Hanover Improvement Society Corp.
PO Box 106
Hanover, NH 03755-0160



DARTMOUTH COLLEGE

Tom -
What a wonderful conribial letter
" We Are Your Local Red Cross." It says
it all - I AM GRATEFUL TO YOU -
HOPE THAT ALL IS WELL - MY BEST
TO YOUR FAMILY. HAVE A WONDERFUL
HOLIDAY -

DAVID T. McLAUGHLIN
President Emeritus

✓ CC: M. Evans - FYJ
Dive

SFC-ARC-A002160

WE ARE YOUR LOCAL RED CROSS

To the Editor:

In their Nov. 13 letter ("Not One of Kenyon's Best Efforts"), Gene and Sandy Nelson described the American Red Cross as a national organization "headquartered in Washington, D.C." They implied that the Red Cross, like so many charities, lacked a "local presence." This couldn't be further from the truth.

The Red Cross, represented locally by the Central Vermont/New Hampshire Valley Chapter, is a grass-roots, local organization. The volunteers who serve on its board of directors are your neighbors and friends. Those who respond in the middle of the night to single-family house fires and provide help and comfort to the victims live just down the street. The lifeguards and water-safety instructors trained by the local chapter attend a local high school or college. The men and women who organize and support the local blood drives stand in line with you at the supermarket.

The Red Cross is *here* in the Upper Valley.

More than 800 volunteers in Vermont and New Hampshire are dedicated to delivering vital Red Cross services throughout the region. There is no charge for Red Cross services to the victims of a disaster, whether it is a devastating local flood or the loss of a single-family home to a mid-winter fire.

The federal government chartered the Red Cross to organize disaster-relief efforts and support military personnel and their families in times of war. Over the years this mission has grown to encompass a broad range of safety- and preparedness-related programs. But, as is the case with many such mandates, the government provides no federal funds to support our mission. We are able to execute our humanitarian responsibilities here and across the country thanks to the efforts of our hometown volunteers and the generous financial support of the local community.

We are *your* Red Cross, and we ask you to join us and your neighbors in this local effort to provide life-saving services to our community.

TOM BYRNE
Member, Board of Directors
Central Vermont/New Hampshire Valley Red Cross
Chapter
Etna

SFC-ARC-A002161



National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

May 12, 2003

Mr. Didier Cherpitel
Secretary General
International Federation of Red Cross
And Red Crescent Societies
Post Office Box 372
CH-121 Geneva 19
SWITZERLAND

By Facsimile: 011-41-22-733-0395

Dear Didier,

I was pleased that we had an opportunity for a frank exchange of views when I was in Geneva and appreciate your working this into your schedule. As we agreed it would be useful for both of us to have confirming memoranda of various discussions between our organizations to avoid unintended misunderstandings, I decided to forward my thoughts on our meeting.

It is my understanding from your comments that you were "disappointed" in the American Red Cross over the fact that the released escrow funds from the Bareme were not forthcoming to you before the end of your fiscal year and that they were not dedicated in a way that was budget relieving for you. I also understood that you felt that the American Red Cross had made a commitment in London to contribute on a voluntary basis to assist in your financial difficulties. You indicated that this lack of support from us might put in jeopardy some of our joint programs.

While we can understand your frustration, we were surprised by your statement. Our position on the bareme and MDA has been known to you and the Federation for some time. We cannot subvert Board policy and our commitment to our public in the United States by budget reallocations that blur the lines.

Additionally, our decision to hold two years of bareme payments and release for international humanitarian purposes the balance was communicated to you and President Juan Manuel Suarez del Toro on July 22 and was acknowledged by your President with appreciation. It was never our intent that the release of these funds would be substituted in your budget for purposes previously covered by the bareme, but we did indicate that we would work closely with the Federation in the allocation of these funds.

Together, we can save a life

SFC-ARC-A002162

We did not make a commitment to a level of voluntary payments in London, nor do we recall any individual society pledging a specific amount at those meetings.

Subsequently, the American Red Cross has released some \$2.4 million of our funds of which I understand \$700,000 has been dedicated to offset core costs in the Americas and Africa. Of the remaining \$1,7 million, I understand that \$1.2 million is in the process of being transferred to support joint programs in these two regions, focused on health and national society capacity building.

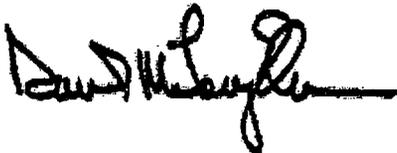
Policy in the American Red Cross is set by the Board of Governors, its Chairman, and by the President. I indicated that we take exception to approaches by you and your staff to various individuals in the American Red Cross in which assertions are made as to our commitments, with the hope that you will get answers that are favorable to your position. If you want to argue for a change in policy, it should be addressed to Marty or by President del Toro to me.

I indicated that the timing of the recommendation from the Federation Finance Commission, of which you presumably were aware, can be potentially harmful to the entire Movement and the improvements in our relationship that we have all worked so hard to achieve in the past 18 months. We know that you have financial pressures, but we do not believe that the American Red Cross is the sole cause of them and take exception to your seeming to shift the focus of those problems to us rather than to fiscal management and realistic revenue projections on the part of the Federation.

I also feel it is important to take exception to your suggestion that the independent actions of the American Red Cross might, for some, be comparable to the United States unilateral action in Iraq. This strikes me as an unworthy observation and contrary to the Fundamental Principles of the Movement to which we subscribe.

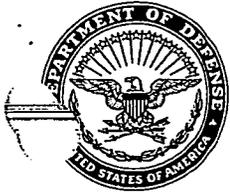
I believe that our discussion was helpful in clarifying some misunderstandings. The American Red Cross supports the Federation and is anxious to work with your President and you in a constructive, collaborative manner. I regret that this relationship seems to have gotten a bit off track and presume that Gerry, Marty, and I, working with you and President Suarez del Toro can clarify the importance of the many ways the American Red Cross continues to contribute to the effectiveness of the Federation's programs. I wish you well and continued success.

Sincerely,



cc: Juan Manuel Suarez del Toro, President, International Federation
Marty Evans, President and CEO, American Red Cross
Gerry Jones, Vice President, International Services, American Red Cross

SFC-ARC-A002163



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

JAN 3 2003



1:41

Mr. David T. McLaughlin
Chairman, Board of Governors
The American Red Cross
17th and D Streets, NW
Washington, DC 20006

Dear Mr. McLaughlin:

In accordance with section 300110 of title 36, United States Code, I am transmitting to Congress the U.S. Army Audit Agency review of the audit conducted by KPMG LLP of American Red Cross (ARC) activities for the year that ended on June 30, 2002. Enclosed are copies of the Letters of Transmittal and the U.S. Army Audit Agency review.

The Under Secretary of Defense (Comptroller) (USD(C)) has reviewed the audited financial statements and provided a recommendation for improvement of future statements. The USD(C) noted that the current financial statements do not contain financial performance indicators such as financial ratios, trend analysis or financial performance metrics. Inclusion of these indicators in future ARC financial statements would enhance the reader's ability to comprehend the organization's performance. I would ask that you provide this recommendation to the ARC Audit Committee.

Thank you and all at the American Red Cross for your continued support of our military members and families.

Sincerely,


David S. C. Chu

Enclosures:
As stated



SFC-ARC-A002200



**American
Red Cross**

National Headquarters
Office of the President & CEO

Together, we can save a life

To: Bonnie McElveen-Hunter, Chairman
Elaine Lyerly, Governor
Bruce LaBoon, Governor

Date: November 3, 2005

From: Marty Evans

Subject: Board of Governors Retreat and
Fundraising Task Force Feedback

Per your invitation, I would like to offer management's thoughts regarding the next steps for the Fundraising Task Force and the report presented by Jerry Panas. I believe that the review was useful and can prompt important action on key initiatives needed to take Red Cross fundraising to the next level. After discussions with Kathleen Loehr and other members of my leadership team, we identified several overall themes from the study that will benefit the American Red Cross.

- **Board ownership.** Leadership is always critical in implementing successful change, and we are suggesting fairly important changes for our "one red cross" fundraising. We agree with Jerry's recommendation that the Task Force (or its successor) help lead this process, as it sends a very strong message across the organization. Together we will have to make hard and courageous decisions for the good of the organization as we design new ways of doing collaborative fundraising, and your leadership will be critical.
- **Leadership engagement.** We have already seen the increased dollars and relationships at national headquarters through the engagement of the Board and senior leaders. I agree that we must now make fundraising a key ingredient for CEOs and volunteer leaders in the Service Areas and chapters. Fundraising led by leaders and volunteers is always much more powerful than that led by staff. This recommendation will require much cultural change and training, but the results will be well worth it.
- **Chapter fundraising.** We must continue to build collaborative fundraising relationships across the organization. Because the strength of our chapters is so critical to our overall ability to serve the nation, we agree with Jerry's view that we should incorporate ways to improve the fundraising power and potential of our chapter network. Programs like direct mail and on-line fundraising can be standardized to generate economies and better results, as shown with chapters that national headquarters currently supports. We agree that we should move forward with a deliberate pace to create a shared donor database to better leverage our resources and align national and local fundraising efforts.
- **New programs.** Several ideas were presented by Jerry that deserve additional evaluation. New programs such as a legacy society would complement the new focus on individual major gifts. New initiatives can build on programs in development such as the Chairman's Cabinet and Project RED. We should catalog these new program ideas from his report and determine which to implement and the appropriate timing for each.

SFC-ARC-A002270

While the report has some important themes, several areas were lacking. For example, the report does not articulate how the national headquarters Development department compares with its peers in the area of non-episodic fundraising. While I know that it is difficult to find exact benchmarking partners, the report was devoid of any meaningful metrics or comparisons.

The report also did not provide many details behind the recommendations. Many of these are simple observations with no insight on how to move forward. For example, recommendation 103 to change the staff reporting structure only focused on rearranging reporting relationships and creating a new unit. Details behind the structure such as appropriate staffing levels, primary mission of the units and other important aspects were lacking. Another example is recommendation 36 that observes donor relations processes are cumbersome – the report only suggests to “keep the steps as streamlined as possible.”

Another concern focuses on the lack of data and lack of sources for data that was provided. Data sources were not provided for the few graphs or tables in the report. It appears that the basis for the preponderance of his findings are strictly interviews he conducted, rather than a rigorous analysis of our processes and results as outlined in his proposal. Mr. Panas presented a Resource Evaluation to Achieve Potential (REAP) process in his proposal, specifically stating:

“We conduct a complete inventory of the Red Cross’ fundraising work and assess every possible major factor of your work. But of greater importance, we determine what your full potential should be.”

“We identify where you are and indicate where you should be. And develop a strategy for how to get there. There is a concentrated focus on developing a strategy for increasing your philanthropic production year after year after year.”

“We review and evaluate forty-three specific areas. These cover virtually every detail and mechanic of your fundraising program.”

“In a careful analysis, I review how you can most effectively use staff time for optimum results. We determine what type of staffing is required for your annual fundraising and for the proposed growth. We provide you with a template for determining necessary and realistic individual staff objectives and show how to monitor status and progress.”

I believe the final report did not live up to these commitments.

We understand there is awareness of the study and great interest in its results at headquarters as well as among chapters. I recommend that the Task Force issue a communication to the organization that provides an overview of the report and outlines next steps. We would be happy to help prepare such a message if desired.

We are excited to build on the momentum the study has generated. We agree with Jerry’s observation that we have never had such good alignment of the key ingredients to achieve our full fundraising potential. We look forward to working with you and your colleagues as we embark on a reenergized fundraising effort for the entire American Red Cross.

SFC-ARC-A002271

From: Rhodd, Michelle

Sent: Tuesday, August 02, 2005 1:42 PM

To: Walter Thornton (waltthornton@aol.com); Allan Goldberg MD (allan_goldberg@merck.com); Anna Maria Larsen (aml@larsens.com); Bonnie McElveen-Hunter (Bonnie.hunter@paceco.com); Brian G. Skotko (Brian_Skotko@student.hms.harvard.edu); Carlos M. Gutierrez (fschwien@doc.gov); Carr, Steve (scarr@prodigy.net); Condeleezza Rice (CharlesEP@state.gov); General Richard B. Myers (Lois.Theiler@js.pentagon.mil); Gerald Sanders (grs@vccllc.com); Jerry Goodwin (jerry@goodwingrant.com); Joe Pereles (joe.pereles@druryinn.com); John Braxton (Jbrax19123@aol.com); Julie J. Burger (julieandles@comcast.net); Kate Forbes (ForbesKA@aol.com); Michael Chertoff (daniel.craig@dhs.gov); Michael O. Leavitt (debbie.gershman@hhs.gov); R. James Nicholson (RJN@va.gov); Robert Smolen (rsmolen@nsc.eop.gov); Sherry Lansing; Theodore Parrish (tparrish@wpo.nccu.edu); wmconne@guidant.com; Ann Kaplan; bgagliano@ulmer.com; c.wilkinson@asu.edu; Chris Allen; fstokes@moac.morgan.edu; gakoz@kmsventures.com; gfadams@fedex.com; glenn.a.sieber@accenture.com; hoffman.joyce@principal.com; judithrichardshope@paulhastings.com; Karen Goodman; mike.hawkins@dinslaw.com; njclyde@clydeassociates.com; ogdenr@optonline.net; richard_niemiec@bluecrossmn.com; Rick Grinnan; rlinder@hrva.com; sandy.belden@communitybankna.com; shassmiller@rwjf.org; whalen81DD@aol.com; wlucy@afscme.org; wmathies@pacbell.net

Cc: 'Elaine M. Lyerly'; Bruce LaBoon R. (laboon@lockeliddell.com); Evans, Marsha; Elcano, Mary; Susan_E_Vlasak@bluecrossmn.com; Bernadette Dwyer; Chamille Anderson (canders5@hfhs.org); Connie Talcott (connie.talcott@paceco.com); Fonken, Kathy; janice.m.beebe@accenture.com; Kim Pierron; Linda Hames (lhames@lockeliddell.com); Nell Hill; Paula Goldberg; Rosie Daniels; Sharon Miller (Sharon.Miller@asu.edu); Noriega, Patte

Subject: Fundraising Taskforce

MESSAGE TO THE BOARD OF GOVERNORS FROM ELAINE LYERLY AND BRUCE LABOON, CO-CHAIRS, FUNDRAISING TASK FORCE

Last Friday we sent an email to you regarding Board members paying for the costs associated with the non-episodic fundraising study that is currently being conducted by Jerold Panas, Linzy and Partners. Since a number of you have contacted us with questions, we believe some clarification is in order.

If you are able to make a contribution to help defray these expenses, please do so. You should consider this gift to be over and above your annual contribution to the American Red Cross. For those who are able, please send your contribution by August 15th to Virginia Johnson, Executive Director of the Office of the Chairman, designated to the "American Red Cross – Board of Governors Fundraising Task Force."

There is a fixed cost for the consultant's study of \$56,000. We will track the contributions and advise you when we have met our goal. Thank you for your assistance in this important Board sponsored project. Please contact Elaine or Bruce directly if you have additional questions or would like to discuss this matter.

Elaine 704-525-3937 or elyerly@lyerly.com

SFC-ARC-A002275

Bruce 713-226-1330 or laboon@lockeliddell.com

Elaine Lyerly and Bruce LaBoon

SFC-ARC-A002276

Johnson, Virginia H.

From: Rhodd, Michelle
Sent: Friday, July 29, 2005 4:26 PM
To: Walter Thornton (walthornton@aol.com); Allan Goldberg MD (allan_goldberg@merck.com); Anna Maria Larsen (aml@larsens.com); Bonnie McElveen-Hunter (Bonnie.hunter@paceco.com); Brian G. Skotko (Brian_Skotko@student.hms.harvard.edu); Carlos M. Gutierrez (fschwien@doc.gov); Condeleza Rice (SantosCT@state.gov); General Richard B. Myers (Lois.Theiler@js.pentagon.mil); Gerald Sanders (grs@vccllc.com); Jerry Goodwin (jerry@goodwingrant.com); Joe Pereles (joe.pereles@druryinn.com); John Braxton (Jbrax19123@aol.com); Julie J. Burger (julieandles@comcast.net); Kate Forbes (ForbesKA@aol.com); Michael Chertoff (daniel.craig@dhs.gov); Michael O. Leavitt (debbie.gershman@hhs.gov); R. James Nicholson (RJN@va.gov); Robert Smolen (rsmolen@nsc.eop.gov); Sherry Lansing; Theodore Parrish (tparrish@wpo.nccu.edu); wmconne@guidant.com; Ann Kaplan; bgagliano@ulmer.com; c.wilkinson@asu.edu; Chris Allen; elyerly@lyerly.com; fstokes@moac.morgan.edu; gako@kmsventures.com; gfadams@fedex.com; glenn.a.sieber@accenture.com; hoffman.joyce@principal.com; judithrichardshope@paulhastings.com; Karen Goodman; laboon@lockeliddell.com; mike.hawkins@dinslaw.com; njclyde@clydeassociates.com; ogdenr@optonline.net; richard_niemiec@bluecrossmn.com; Rick Grinnan; rlinder@hrva.com; sandy.belden@communitybankna.com; shassmiller@rwjf.org; Steve Carr; whalen81DD@aol.com; wlucy@afscme.org; wmathies@pacbell.net
Cc: Evans, Marsha; Elcano, Mary; Susan_E_Vlasak@bluecrossmn.com; Bernadette Dwyer; Chamille Anderson (candrs5@hfh.org); Connie Talcott (connie.talcott@paceco.com); Fonken, Kathy; janice.m.beebe@accenture.com; Kim Pierron; Linda Hames (lhames@lockeliddell.com); Nell Hill; Paula Goldberg; Rosie Daniels; Sharon Miller (Sharon.Miller@asu.edu); Noriega, Patte
Subject: Letter to the Board of Governors

Message to the Board of Governors from Fundraising Task Force Co-Chairs Elaine Lyerly and Bruce LaBoon:

During our meeting in San Francisco in May 2005, the Board of Governors approved a Resolution to form a Fundraising Task Force to benchmark realistic expectations and goals focusing on sustainable non-episodic fundraising in the competitive environment of other non-profit organizations. The Resolution further provided that expenses for any external consulting services to the Task Force were to be funded by individual members of the Board.

The Task Force members decided that an external consultant was required to benchmark the fundraising strategies and to identify the best practices of other non-profit organizations. After sending out a Request for Proposal in early June, the Task Force interviewed four consulting firms. Based on those interviews, the Task Force narrowed its selection to two firms and met a second time for additional presentations and interviews.

The Task Force unanimously selected the firm of Jerold Panas, Linzy and Partners to undertake this important work. All of the Task Force members were extremely impressed with the reputation and skill of this firm. The Panas firm agreed to conduct the study for \$51,000 plus capped expenses not to exceed \$5,000, for a total of \$56,000.

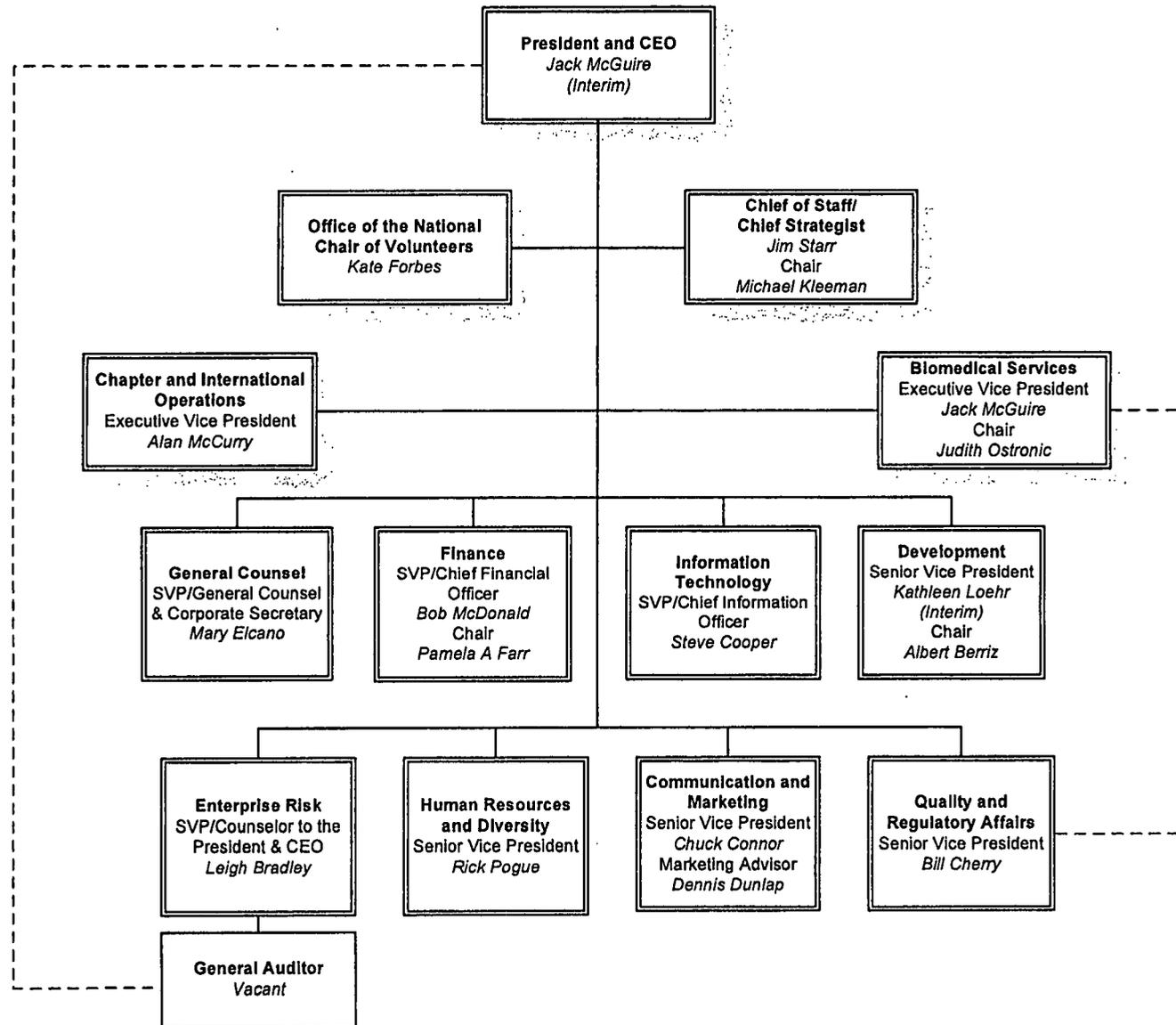
Under the terms of the contract, the Board is obligated to pay one-third of the fee at this time, with the second and third installments due in September and October 2005, respectively. That is why we are now writing to you to request your participation in paying for this very significant consulting contract. Please contact us no later than August 3rd, to let us know whether you are able to assist the Board in underwriting this expense. All of your payments should be made to the American Red Cross so that you may, appropriately, treat your contribution as a tax deductible expense.

The firm has already begun its interviews of Red Cross personnel at NHQ and will provide the Task Force with an interim report on October 14. The firm will make an extensive report to the entire Board during our Board Retreat on October 29.

Thank you in advance for your participation in this activity. Please feel free to contact either of us to discuss this.

AMERICAN RED CROSS

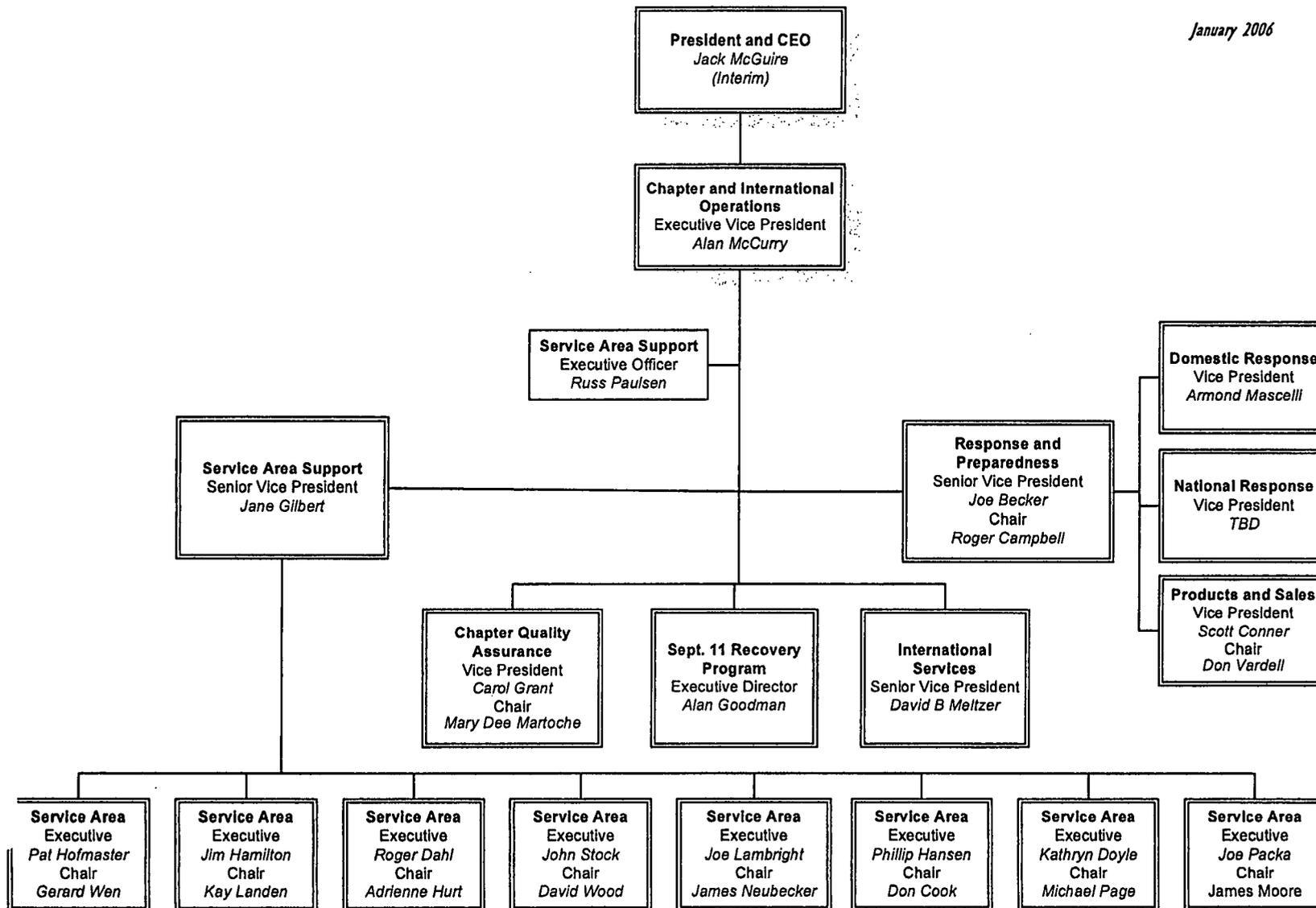
January 2006



SFC-ARC-A002295

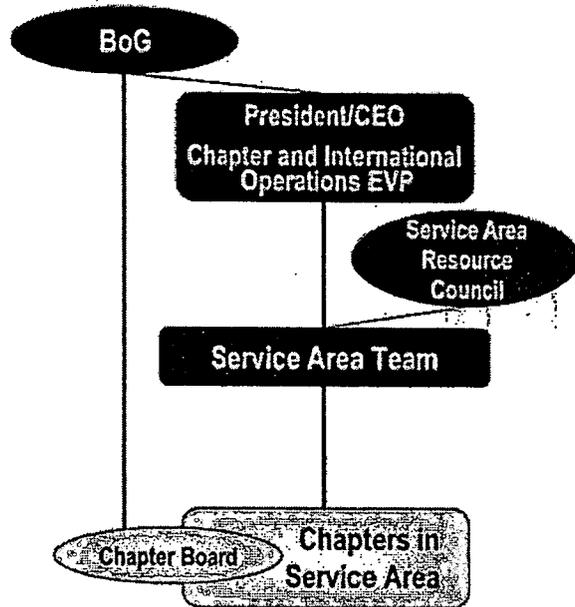
Chapter and International Operations

January 2006



SFC-ARC-A002296

DIAGRAM OF THE SERVICE AREA STRUCTURE



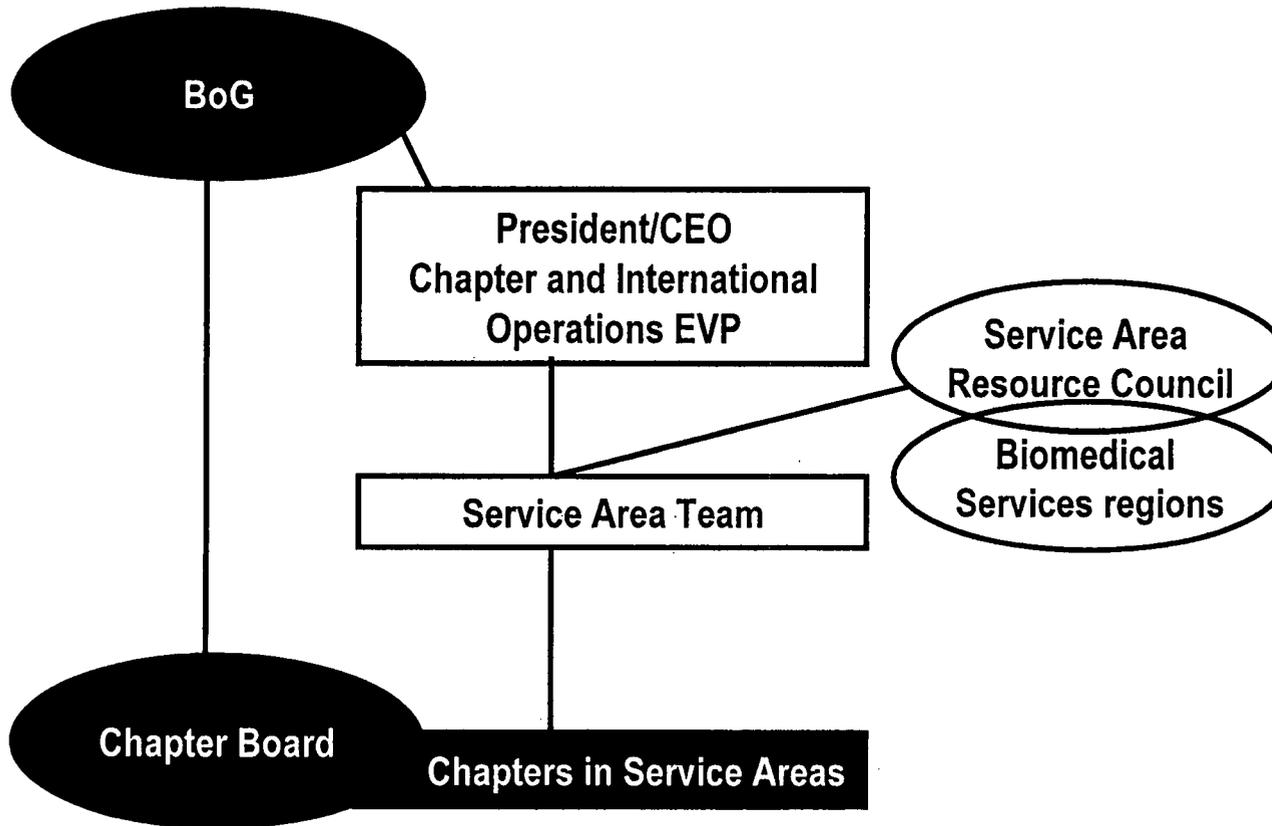
More specific information about the service area structure and its roles and responsibilities can be found on CrossNet: Service Areas.

CrossNet Links

- Board of Governors Policy Manual Part Two – Section Five
 - Committees: refer to 5.14 - 5.25
 - Officers: refer to 7.1 - 7.7
- Best Practices System – Volunteer Resources Chapter Standing Committee Commission Statement
- Guidance on Chapter Audit Committees and Supporting Processes



Service Area Diagram

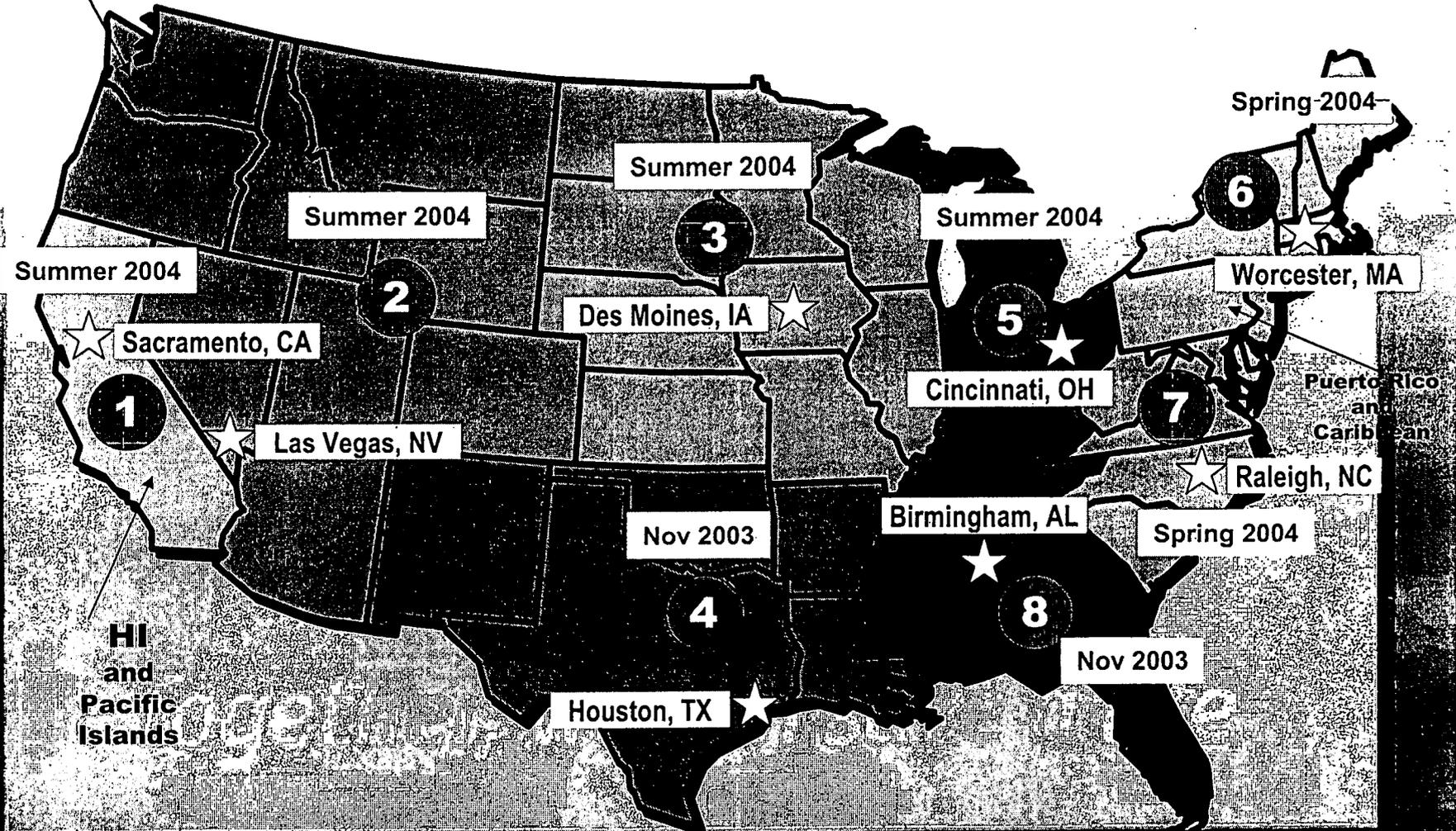


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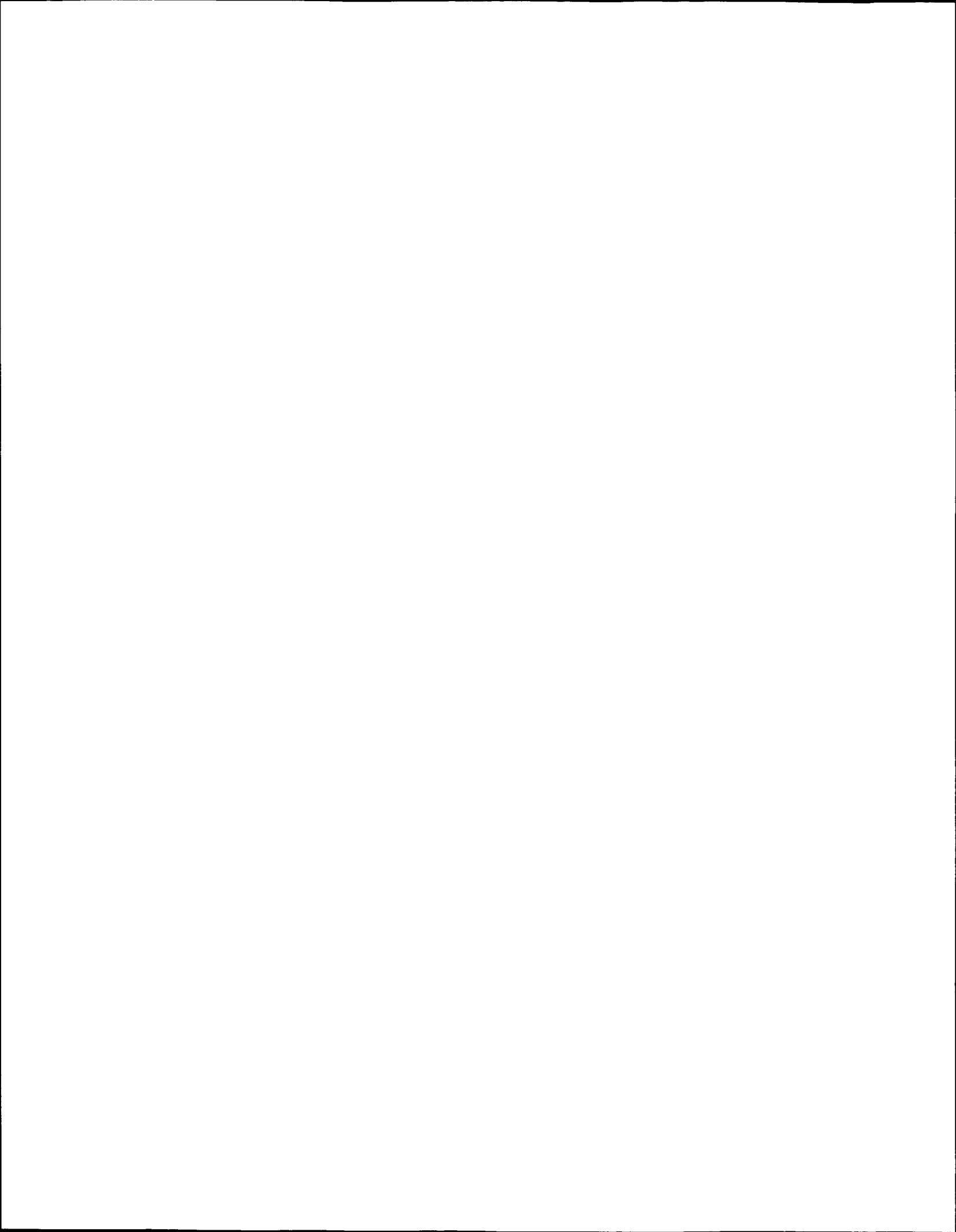


Service Area Boundaries, Headquarters Locations and Planned Opening Dates

AK



SFC-ARC-A002299





WORK ASSIGNMENT FORM

Porter Novelli
1809 K Street, NW
Washington DC 20006
Tel: 202 973 6800
Fax: 202 973 5858

American Red Cross
2025 E St NW
Washington, DC 20008
Attention: Darren Irby

This Work Assignment Form between Porter Novelli, Inc. ("PN") and the American Red Cross ("Client") serves as PN's authorization to provide Media Outreach services to Client from September 28, 2005 until December 31, 2005, or until a fully executed client contract is available, whichever occurs first. PN and Client agree to use best efforts to have a fully executed contract in place by October 31, 2005. During the term of this Work Assignment Form, Client will be billed and agrees to pay PN for time charges based on PN's hourly rates outlined in Addendum A and estimated expenses incurred. Client agrees that such invoices are due upon receipt. It is understood and agreed upon by the parties that no work can commence until this signed Work Assignment Form is received by PN.

PN agrees to secure Client's approval by email or otherwise in writing before any work commences on any additional projects not included in this Work Assignment Form. Client agrees to pay PN's invoices upon receipt.

Client represents that the undersigned is authorized to execute this Work Assignment Form. If Client is in agreement with the foregoing, please sign this letter in the space provided below, fax a copy of the fully executed letter to PN at 202-973-5858, and return the original fully executed letter to PN.

PORTER NOVELLI, INC.

By: Dan Snyder Title: Partner

(Signature)
Date: 9/28/05

ACCEPTED AND AGREED

American Red Cross

By: DARREN IRBY (Print Name)

Title: VP, PR

(Signature)

Date: 9/28/05

SFC-ARC-D000826



Porter Novelli
1909 K Street NW
Suite 400
Washington, DC 20006
Tel: 202 973 5800
Fax: 202 973 5858
www.porternovelli.com

ADDENDUM A
GSA HOURLY RATES

AC	\$60.35
AAE	\$87.78
AE	\$93.26
SAE	\$127.18
AS/AM	\$135.66
VP	\$199.50
SVP	\$211.96
EVP	\$279.28
Partner	\$296.75

PN will advise Client as to any changes in the standard hourly rates or rate structure on not less than thirty (30) days' prior written notice. Notwithstanding any provision of the Agreement to the contrary, new standard hourly rates will automatically be deemed effective by the parties 30 days from the date on which you are notified in writing of such changes in the standard hourly rates (the "Effective Date"). Standard hourly rates may not be changed by PN for a period of one (1) year from the Effective Date without your prior written consent.

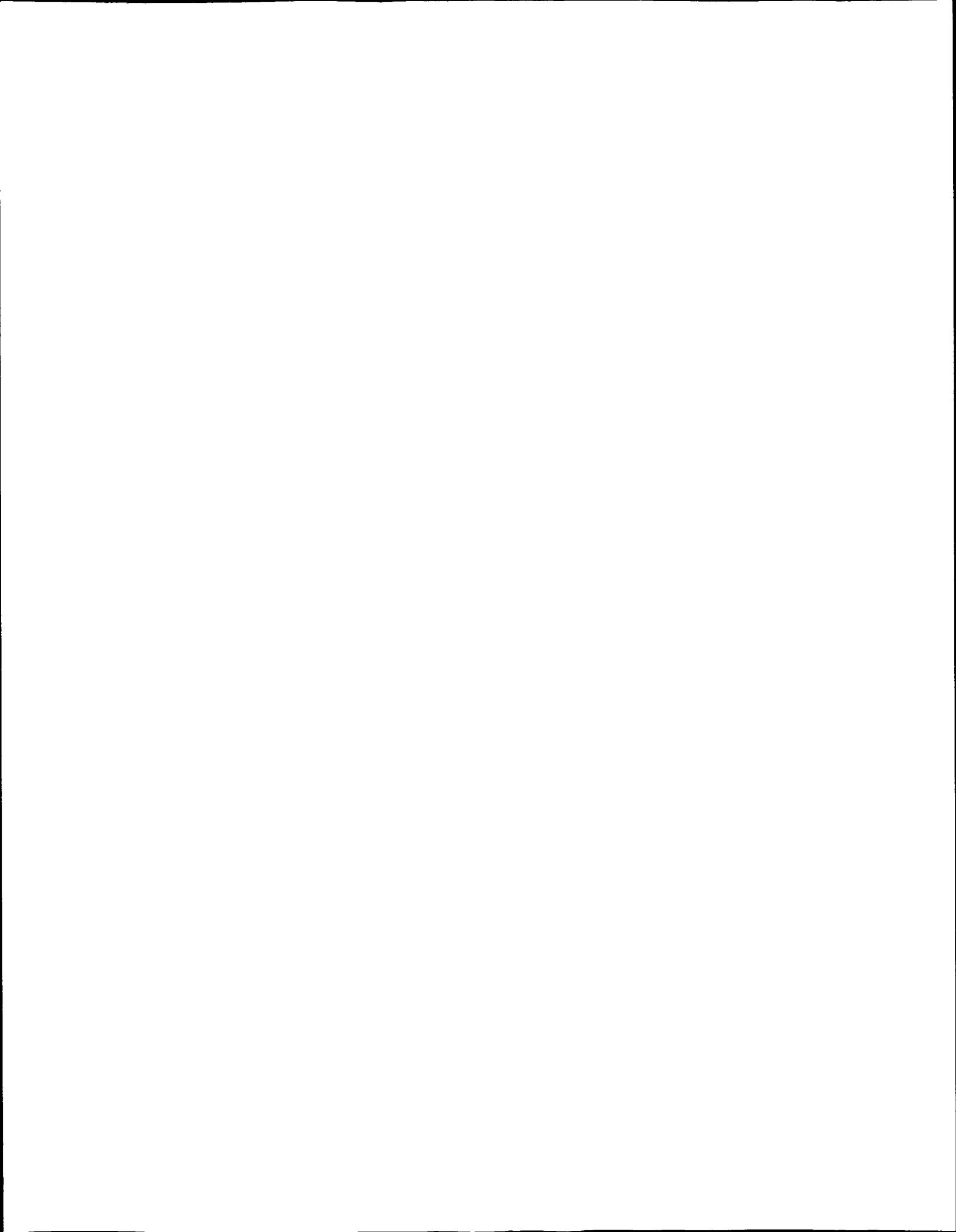
SFC-ARC-D000827



**Scope of Work
American Red Cross
September 30, 2005**

Porter Novelli will handle the following communications tasks for the American Red Cross around promotion of the Red Cross' local human-interest stories:

- Review and identify current and incoming stories for news value; provide list of recommendations to American Red Cross
- Conduct follow up with story authors and/or story subjects to verify facts, gain additional insights
- Draft stories as needed, based on discussions with field staff and/or national office communications team
- Identify 15-20 newsworthy stories; craft local angles
- Develop media lists for 15-20 local/regional stories; lists will include print and broadcast outlets (as appropriate)
- Pitch 15-20 stories to area media; conduct ongoing follow up
- Develop potential Q&A for pitching staff, with approval from American Red Cross
- Develop 4-5 "package" articles, featuring a series of similar stories; promote to regional wire services; coordinate any necessary approval with American Red Cross
- Conduct electronic monitoring to identify coverage; forward to American Red Cross



West Coast Strategic Planning Meeting

Event Date/Times:

Friday, November 22

8:00 a.m. – 5:00 p.m. Strategic Planning Meeting (*continental breakfast, lunch included*)

.....

Dress/Attire: The dress for the meeting will be business-casual.

Registration Form: Please return the enclosed registration form no later than October 25th. (*We will only contact those individuals who we do not receive a registration form from -- so if we do not contact you, we've confirmed your participation*). **Please note that we are only confirming registration. You will need to make hotel accommodations directly with the hotel.**

Air/Ground Transportation and Weather: Although chapters are not required to utilize BTI World Travel, they may still be used to purchase airline tickets (877/292-9466). Complimentary shuttle service can be accessed from the baggage claim area of the airport. For those of you who may be driving to San Francisco, please check out the hotel website at: www.marriott.com/sfobg. Weather conditions can also be found on the website.

Hotel and Meeting Room Accommodations: Meeting space and sleeping rooms are reserved at the San Francisco Airport Marriott, 1800 Old Bayshore Hwy, Burlingame, CA 94010 (phone: 650-692-9100; fax: 650-692-9861). To make your reservations, please call 800/228-9290. As always when calling, please be sure to request the rooms reserved for the **American Red Cross**. The hotel room rate is \$99 for single or double. We request that everyone make their hotel reservations with the Marriott (and not on the internet). Please check the hotel billboards for meeting room location upon your arrival.

Registration Form

WEST COAST Strategic Planning Meeting

November 22, 2002
San Francisco Airport Marriott

Participant: _____ Title: _____

Chapter: _____ State: _____ Phone: _____ Fax: _____

- Yes, I plan to attend the Strategic Planning Session on Friday, November /22 (8:00 p.m. – 3:00 p.m.)
- Unfortunately, I will not be able to participate at this meeting.

I plan to arrive in San Francisco on (date): _____ at _____ o'clock.
 I would like to request a vegetarian meal.

Complete and return this form no later than November 5 to:
Sue Hartman, Regional Specialist
American Red Cross
3753 Howard Hughes Pkwy. #320, Las Vegas, NV 89109
Tel: (702) 507-0826; fax: (702) 507-0831

represents the American Red Cross, has adopted a two track process: track one is meant to encourage states to convene a diplomatic conference as soon as feasible; track two is a pragmatic attempt in the interim, to normalize Movement relations with MDA. At its October 3rd meeting, this Working Group met with representatives of MDA to discuss their statutes, structure and operations. MDA made a good presentation which was received in a cordial, collegial and encouraging manner. No major objections were raised.

b. **'Grandfathering'**

The "grandfathering" of MDA into the Movement did not gain acceptance. It is the Standing Commission's Working Group with its two track process that is the focus of efforts. As stated, the crisis in the Middle East makes a quick solution unlikely.

c. **Bareme payments**

As directed, the International Services' VP, Gerry Jones has been discussing potential humanitarian uses of excess bareme money with colleagues at the Federation. Likely areas of utilization and collaboration include health programming, emergency response and national society capacity building. This decision to utilize these funds has been welcomed by both the President and Secretary General of the Federation, though the Secretary General cautions that this does not necessarily lessen our outstanding bareme liability.

4. **Federation Governing Board**

Over the past six months several national societies and well-placed members of the Secretariat have informally mentioned the possibility of the American Red Cross seeking a seat on the Governing Board in fall 2005. American Red Cross presence on the Governing Board could be useful and this is something we must consider.

10/16/02 13:17 AMERICAN RED CROSS->Prevatte,Carolyn

001

10/16/02 16:17 FAX 202 639 3267

ARC MARKETING

001



**American
Red Cross**

National Headquarters
Office of the President and CEO

Together, we can save a life

To: Chairman David McLaughlin
Members, Board of Governors

Date: October 14, 2002

From: Marty Evans

Subject: CBS Evening News

We recently learned that CBS Evening News reporter Sharyl Attkisson is producing another story about the Red Cross, concentrating specifically on Blood Services and our relationship with the Food and Drug Administration (FDA). She is also interested in transfusion associated risk factors for HIV, HCV and other blood-borne diseases for which we test. Her story is expected to run as early as this week.

We responded to the questions regarding transfusion associated risk factors and believe we have a good story to tell. In accordance with our ongoing position/strategy, we did not respond to issues related to our pending litigation.

Attached you will find talking points for your review and use in providing factual information and allaying any fears and concerns resulting from this story. We also provided a taped statement regarding blood safety from Ramesh Thadani, Executive Vice President and CEO of Biomedical Services.

As I said recently, the Red Cross shares a common goal with the FDA – to save and enhance lives through providing the safest possible products to patients – and we continue to work toward resolution with the agency. We plan to aggressively work with our paid and volunteer staff and donors, sponsors, hospital customers and communities at large to educate the public about the safety enhancements Red Cross has made to date and our commitment to working with the FDA to resolve issues and further enhance blood safety and availability.

Attachment

SFC-ARC-A001057



**American
Red Cross**

National Headquarters
Office of the President and CEO

Together, we can save a life

To: Chairman McLaughlin and
Members of the Board of
Governors

Date: October 3, 2002

From: Marty Evans *Marty*

Subject: Resignation of Fresno Chapter CEO

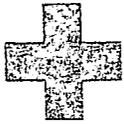
Late last December as a result of a phone call to Audit Services by a disgruntled former employee an investigation was initiated to determine if the Fresno Chapter had deliberately failed to remit Liberty Fund donations. After several months of review and reconstruction of the chapter's financial records, especially related to Liberty Fund donations and transactions, it was determined that, in fact, approximately \$ 199,000 had not been remitted. However, the chapter had remitted in excess of \$1.2 million to the Liberty Fund.

On Tuesday, September 17, a Mountain Pacific Regional team and representatives from the Office of the General Counsel and Audit Services met with paid and volunteer leadership of the Fresno-Madera Chapter in Fresno, California. The regional team advised the chapter board's Executive Committee that upon careful review, the chapter had an additional liability to the Liberty Fund of approximately \$199,000, which included allowable expenses estimated at approximately \$79,000. At no time has there been any indication that Liberty Funds were diverted for any personal gain or purposefully diverted to the chapter. Rather, the audit process revealed that the chapter had not followed guidance from financial management on designating donations that lacked clear donor intent and on maintaining documentation to support donor intent. Based upon this and other management issues, the region requested that the Board remove the executive director of the Chapter. The Fresno-Madera Executive Committee contacted Regional Operations, Chapter Services Network, and the Office of the President and CEO to ascertain national headquarters' support of the regional team's position. National headquarters' total support and endorsement of the region's position was communicated to the Executive Committee members.

Following the meeting with the Executive Committee, the regional team met with the full board of the chapter to inform them of their Liberty Fund liability and request management action. The chapter board advised the team that the executive director had, subsequent to dialogue with Executive Committee members, decided to submit her resignation, effective immediately. The chapter and the region accepted her resignation and an experienced interim chapter manager, Ed Webb, is now in place to provide necessary staff leadership and guidance to board and staff. The chapter board offered the executive director a modest separation package and she executed a separation agreement and release. Pursuant to the agreement, both parties agreed to keep the terms of the separation agreement confidential. Further, both parties agreed upon a press release regarding the executive director's resignation and agreed not to make any statements inconsistent with the contents of the press release to any member of the public or the press who made inquiries about her resignation.

The chapter remitted the outstanding amount due to the Liberty Fund on September 18, 2002. There was some initial local media coverage of the situation as it pertained to the resignation of the executive director and the Liberty Fund audit results.

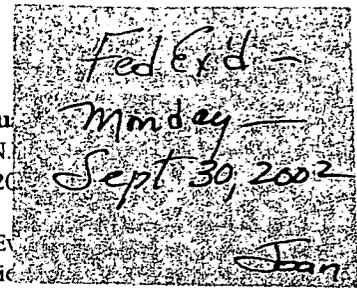
SFC-ARC-A001058



**American
Red Cross**

National Headqu
430 17th Street, N
Washington, DC 20

Marsha Johnson Ev
President and Chic



To: David McLaughlin, Chairman
Board of Governors
Chris Allen
Doug Dittrick
Kathryn Forbes
Fred Grein
Carol Ann Haake
Jon Huntsman
Ross Ogden

Date: September 30, 2002

From: Marsha J. Evans
President and CEO

Subject: Response to Senator
Charles Grassley's Letter
of August 12, 2002

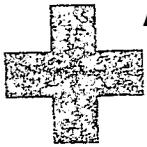
We submitted a response to the August 12, 2002 inquiry letter from Senator Charles Grassley, Ranking Member of the Senate Finance Committee, on September 26, 2002. Enclosed is a copy of our response letter and the attachments.

I expect to meet with Senator Grassley in the near future.

Enclosure

Together, we can save a life

SFC-ARC-A001059



American Red Cross

Office of the President

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

To: David T. McLaughlin, Chairman
and Members of the Board of
Governors

Date: September 24, 2002

From: Marty Evans, CEO

Subject: Harold Decker

It is with a sense of deep regret that I announce Harold Decker's decision to leave the American Red Cross. We owe a debt of gratitude for his exceptional service to this organization during a time of crisis and intense scrutiny.

Harold's talents became evident very quickly after he arrived at the Red Cross in February of 2001 following a successful career in the pharmaceutical industry. Hired as the Associate General Counsel, Harold immediately went to work rebuilding the legal staff and restructuring responsibilities within the office of the General Counsel. Throughout this process, Harold's first priority was determining how to best serve the needs of the chapters and insuring that the General Counsel's office added value to the needs and requirements of our field structure.

Within a matter of months, Harold was elevated to Corporate Secretary and General Counsel of the Red Cross. Very shortly thereafter, the Board of Governors asked Harold to assume the duties of Interim President and CEO. This request, made after the unexpected departure of his predecessor, was a clear reflection of the Board's confidence in his capacity to provide inspiration and leadership in those difficult days. Harold's courage in accepting this position, and the leadership that followed, guided this organization through the turmoil of the post 9-11 response. Through press conferences, dozens of media appearances, and outreach to members of Congress and government, Harold worked tirelessly to regain the public's trust in our organization. He provided stability within the Red Cross when the organization needed it most.

At a moment like this it is not sufficient to list Harold's significant accomplishments- there is much more to his tenure. I believe the most significant term we can use is "legacy." If any one of us can come to an organization and leave a legacy for others to follow, then we will have served in the most profound way. Harold Decker leaves a significant legacy, one that is deeply etched in the long history of this proud organization. We will all miss him and are deeply grateful for his service to the American Red Cross and the nation. Please join me in congratulating Harold on a job well done and wishing him and his family Godspeed in the years to come.

SFC-ARC-A001060

File

National Headquarters
Office of the President and CEO



**American
Red Cross**

Together, we can save a life

To: Chairman McLaughlin and
Members of the Board of
Governors

Date: September 20, 2002

From: Marty Evans

Subject: Alan McCurry Named COO

Attached is the announcement of our new Chief Operating Officer, Alan McCurry and the functional realignment of NHQ designed to fully support our efforts to develop the Disaster Service Line of Service improvements and to build our Chapter capacity. Many of you had the opportunity to meet Alan at our retreat. I know you will find him to be a great asset to the American Red Cross team.

SFC-ARC-A001061

Alan McCurry Named COO

I am pleased to announce that Alan McCurry, Military Legislative Assistant to Senator Pat Roberts of Kansas, will join national headquarters on October 7, 2002 as our new Chief Operating Officer (COO). As COO, Alan will be tasked with integrating resources and support functions to assist Terry Sicilia, our newly named Executive Vice President for Disaster Services in his efforts to successfully build disaster preparation and response programs to meet the requirements of the future while continuing to fully respond to the crises of today. To that end, I have realigned several functions under the COO. They are Disaster Services, the Chapter Services Network, International Services, Growth and Integrated Development, Human Resources and Organization Development, and Information Technology. The last three organizational units will still be providing services to all other parts of the organization. I can assure you that this reorganization is evidence of my commitment to this premier Line of Service and will also enable me to spend more time in the field with Red Cross units.

Before joining Senator Roberts' staff as the principle advisor on issues ranging from homeland security to foreign affairs, Alan enjoyed a distinguished career in the U.S. Navy. As acting commander of the Navy Recruiting Command, he led a successful organization that recruited 55,000 men and women into the Navy annually. He also served as the liaison officer for the U.S. Representative to the Military Committee at NATO, commanding officer of the USS Dixon, and served on the staff of the Joint Chiefs of Staff.

A graduate of the University of Kansas and the Industrial College of the Armed Forces, Alan completed graduate level studies in the areas of national mobilization, industrial preparedness, joint and combined operations planning and the management of resources for national security.

As COO, Alan will enhance our organization's ability to provide the seamless delivery of Red Cross services-especially disaster preparedness and response-that the public has come to expect. I hope you will join me in welcoming Alan McCurry to the American Red Cross team.



**American
Red Cross**

Together, we can save a life

National Headquarters
Office of the President and CEO

To: Chairman David McLaughlin
and Members of the Board of
Governors

Date: September 16, 2002

From: Marty Evans

Subject: Board Retreat

Thank you so much for a very productive retreat. I believe we have made very significant progress to develop a vision and strategy for the next five years. The senior management staff are eager to develop the associated plans to move the organization forward. Attached are several slides containing "talking points" which I hope are useful to you in communicating the exciting progress achieved and other items covered in the Board meeting. If you have questions or would like additional information, please be in touch with Carolyn Prevatte or me.

I also appreciate very much the warm welcome you gave me. It is exciting to be a part of this extraordinary organization. And I look forward very much to working with each of you in the coming months and years.

Attachments

SFC-ARC-A001063



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

December 23, 2003

Mr. Len Clark
410 Highland Avenue
Upper Montclair, NJ 07043

Dear Len,

I was as distressed to receive your letter of 12 December 2003 as I am sure you were in sending it. Having known Clem for years, I share your feeling that he would be an enormous asset for the Red Cross. Apart from the administrative and procedural missteps and burdensome requirements, the issue seems to be, how can we engage him in some of our activities in areas of his expertise so that we can forge a partnership that hopefully would lead to his being on the Board of Governors or involved in some other significant service area.

I have circulated his CV through Marty Evans office to see if we can find a good fit. You are more than kind to bring this entire matter to our attention – we all can do better.

I will keep you posted but wanted to wish you and your family a very enjoyable holiday and a fulfilling New Year.

Regards,

A handwritten signature in black ink, appearing to read "D. McLaughlin".

David T. McLaughlin

cc: Marty Evans

bcc: Gerard Wen w.inc.ltr
Bill Gagliano w.inc.ltr.

Together, we can save a life

SFC-ARC-A002166

DEC 16 2003

Len Clark
410 Highland Ave.
Upper Montclair, NJ 07043
Phone: 973-744-0714; Fax 973-744-0941
E-Mail: GPButch@AOL.com

December 12, 2003

Mr. David McLaughlin
Chairman
American Red Cross
2025 E Street, N.W.
Washington, DC 20006

Dear Dave,

Subject: Murphy's Law and Clem Malin

You may or may not recall that I am a member of the board of our Montclair-Glen Ridge-Nutley Chapter.

Many weeks ago, in response to your request for nominees for national service, and in response to e-mail forwarded by Gerard Wen, I began to talk to some people in the pharmaceutical industry (where I did quite a bit of recruiting and from where some earlier Red Cross leaders had come). In addition, while at homecoming we had some class and other meetings in connection with our up-coming 50th ('06). My old friend Clem was a highly valued participant and I thought, "what a great asset he would be for the Red Cross." I broached the question to him and was delighted with his positive response.

A week or two passed; Clem forwarded me his resume; I looked up the memo from Mr. Wen and thought the best way to submit Clem's background at that point would be to fax it to Mr. Wen per the fax/phone numbers on his e-mail. I probably hit a wrong key; got no connect; called him to verify the number and asked that he verify receipt and appropriateness of my cover letter and resume on Clem. My fax machine indicated a completed second transmission. That was on November 21. We then went to Boston for Thanks Giving with our daughter. On my return, I was concerned that I had not heard from Mr. Wen. To verify, again, that I had the right fax number, I sent him another fax asking for confirmation. He returned that one with a note on the bottom saying I should contact Monica Hoyos Hodson or Carol Taylor Brown in Washington.

Monica advised me that I was supposed to have submitted Clem's background per information on Crossnet. I was somewhat concerned because Mr. Wen had never mentioned that and the deadline was December 12. However, I'm familiar with deadlines and was not deterred. I went to Crossnet and received

SFC-ARC-A002167

Page 2

a message, "That site is not responding." By then your offices in DC were closed. It was Friday night December 5. I kept trying Crossnet all weekend to no avail. Monday morning, December 8, I called Monica to ask that she fax me whatever was on the net. She was in meetings most of the day but eventually faxed me the nominating guidelines and forms.

There were several important requirements that would be challenging! Clem's original signature was needed and so was that of our chapter chair. These and the other materials had to be in Washington by today (12/12). I had to re-fax everything from Monica to Clem and explain the situation. I had to contact our chapter chair explain the requirements to him -- and it turned out that he needed a meeting of our executive committee to authorize his signature. Also, our Executive Director ended up having to type some of Clem's information into boxes on the Crossnet form with an old fashion mechanical typewriter -- since we did not know how to do that on the computer -- especially since Crossnet was still "not responding." Yesterday afternoon we were able to hold a conference call with our Executive Committee. They were impressed with Clem's background and authorized our chair to sign the nomination. Clem was not at home for me to determine when he could sign his form and FedEx it to Washington. Murphy's law was hard at work!

We called Monica to ask if we could FedEx Clem's materials in time for the Friday deadline and have his signature follow as soon as possible after I could reach him. Monica got Mr. Wen on a conference call and our common sense request was turned down... "out of fairness to other candidates."

When I was finally able to reach Clem at home late last night, he withdrew his candidacy!

He had read the specs from Crossnet and felt he did not have requisite prior Red Cross experience. He would prefer something which capitalized on, and more rewardingly utilized, his strong international background. I pointed out that within the 11 page guidelines "International" experience was among the many qualifications being sought. The nominee processing situation which we had just experienced was also a deterrent to Clem.

Thus, he concluded by saying that he might send you a letter directly -- expressing his interest in such community service, with an international bent, in some role other than which we just missed.

Dave, there seems to have been a confluence of human and technical communication failure here. That being the case, it would be a great shame if such a near miss were to deprive the Red Cross of someone with Clem's character and his personal and professional assets.

SFC-ARC-A002168

Page 3

I apologize the length of this letter. However, hopefully, you will get the idea that I feel something unfortunate has happened here. Moreover, I would feel very badly if I had just let it go at that.

We have a home in Woodstock and I have run into John Heston and others at the Nugget or elsewhere in Hanover. Since I new that you, too, now have a place in the north country, I have hoped to also run into you there sometime. I am co-chairman of our 50th and have been in touch with Don Goss and people from other classes for their assistance. That, too, has taken me to Hanover on a number of occasions. We were also very saddened to learn of Nancy Beekman's fatal accident. She was a cheerleader in my first varsity football game in high school! We saw Phil and Nance in Florida last May.

Lee joins me in sending you and your family all the best for the holidays and New Year. Maybe we'll run into each other at a Red Cross function somewhere.

As always, best regards,

Encl.

Cc: Marsha Evans
Gerard Wen
Alan Goldman
Monica Hoyos Hodson
Jackie Schneider



SFC-ARC-A002169

410 Highland Ave., Upper Montclair, NJ 07043 Phone: 973-744-0714
Fax: 973-744-0941
E: GPButch@aol.com

Len Clark

Fax

To: Gerard Wen, Chair, Red Cross National Committee on Nominations

Fax: 1-650-856-3592

Pages: 3 including cover

Phone: 1-408-472-1200

Date: November 21, 2003

Re: Nominations Assistance - Clem Malin

cc: Jackie Schneider, Executive Dir. Montclair, NJ

Urgent **XXXX For Review** **Please Comment** **Please Reply** **Please Recycle**

• **Message:**

Dear Mr. Wen,

I am a director of the Montclair, NJ chapter of the Red Cross. I have known both Clem Malin, my candidate whose background is attached, and Dave McLaughlin since college. Dave undoubtedly also knows Clem's older brother Bob.

Clem Malin is an outstanding individual. By education and temperament he is a very good facilitator, coordinator, organizer and person of the highest integrity and judgment. I have personally worked with him on numerous college alumni and fund raising activities since graduation from college. His sensitivity to people and issues and his ability to follow up are superb. I have spoken to him about the possibility of serving the Red Cross at the national level and he expressed strong interest.

Please do not hesitate to contact me or Clem for further information. And give Dave my best regards when next you speak.

Sincerely,



SFC-ARC-A002170

CLEMENT B. MALIN

15 Old Hyde Road
Weston, CT 06883
Home: (203) 226 4986

Fax: (203) 221 1947
E-mail: cbmalin@snet.net
Office: (203) 221 1859

Texaco Inc., 1978-98

Retired 12/1/98 as Vice President, International Relations (1992-98); VP, International Relations, Texaco Europe (1991-92); General Manager, Corporate Planning & Economics (1983-90); General Manager, Government Relations (1981-83); Director, Strategic Planning (1978-81).

Chairman, Industry Advisory Board, International Energy Agency (1985-87); board of directors, co-chairman, international committee, Global Climate Coalition (1994-98); head of delegation to UN Framework Convention on Climate Change, vice chairman, energy commission, International Chamber of Commerce (1994-98); boards of directors, US Council on International Business, Council of the Americas, National Foreign Trade Council, White Plains (NY) Hospital and Shakespeare Theatre (Stratford, CT). Japan-US energy policy dialogue, Atlantic Council. Texaco representative to European Petroleum Industry Association, International Petroleum Industry Environmental Conservation Association and Pacific Basin Economic Council. Advisory Committee on International Economic Policy (Department of State).

Speaker at Royal Institute of International Affairs, Oxford Energy Seminar, World Energy Congress, World Petroleum Congress, and at conferences in United Kingdom, Belgium, Germany, Finland, Italy, Ukraine, Switzerland, Japan, China, Senegal, Dubai, Kuwait, Uruguay and Argentina.

Currently, speaker and lecturer at international conferences, universities and seminars in the United States and Europe, and author of articles for trade journals on international environmental issues.

Federal Energy Administration, 1974-77

Assistant Administrator (1976-77), Deputy Assistant Administrator (1974-76), International Energy Affairs during "energy crisis." Senior energy representative in negotiations leading to establishment of International Energy Agency, head of delegation to negotiate energy information exchange with the Soviet Union, energy expert in negotiations with Iran for oil for Strategic Petroleum Reserve, and leading energy representative to Conference on International Economic Cooperation and NATO Energy Preparedness Committee. Speaker on energy policy issues and international oil in the United States, Europe and Asia.

Mobil Oil Corporation, 1960-74

Various planning assignments with responsibilities in Europe, Latin America, Africa and Middle East. Resident in Paris, The Hague and London. Resigned in January 1974 to join US government.

Education

Princeton University, master of arts, Public and International Affairs, 1960. Dartmouth College, bachelor of arts, International Affairs (1956).

CLEMENT B. MALIN

Clement B. Malin retired in December 1998 as Vice President-International Relations from Texaco Inc. His career in the oil business and the United States government spanned more than 38 years.

Mr. Malin joined Texaco in 1978 as Director of Strategic Planning. In 1981 he was appointed General Manager of Government Relations. He was appointed General Manager of Corporate Planning and Economics in 1983. And in 1990, Mr. Malin was appointed Vice President-International Relations, the position he held until his retirement. Mr. Malin served as chairman of the Industry Advisory Board to the International Energy Agency and as head of delegation of the International Chamber of Commerce to the United Nations Convention on Climate Change. He was also a board member of the United States Council for International Business, the National Foreign Trade Council, the Council of the Americas, the International Petroleum Industry Environmental Conservation Association and the Global Climate Coalition. He served on the Advisory Committee for International Economic Policy to the US Department of State.

During the years 1974-1977, Mr Malin served in the US Federal Energy Administration, initially as Deputy Assistant Administrator (1974-1975) and later as Assistant Administrator for International Energy Affairs (1976-1977).

From 1960 to 1974, Mr. Malin worked for the Mobil Corporation in a variety of international planning assignments in Europe, the Middle East, Africa and Latin America.

Mr. Malin received a bachelors degree in international relations from Dartmouth College (1956) and a masters degree in public and international affairs from Princeton University (1960).

Since his retirement, Mr. Malin has been a speaker on climate change issues at conferences in the United States and Europe and a lecturer on energy and environmental issues at universities and to community organizations. He has also written articles on public policy issues for trade magazines.

Mr. Malin lives in Weston, Connecticut, where he remains active in education and other community activities. He and his wife, Ann, have two grown children and three grandchildren.

August 2002



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

September 2, 2003

Mr. Robert P. Denniston
Brown, Hudgens, P.C.
1495 University Boulevard
P.O. Box 16818
Mobile, AL 36616-0818

Dear Bob,

I received a copy of your letter of 14 August to Marty Evans. While I am sure that she will respond directly, I wanted to thank you for your interest and for the suggestions that you made to utilize more effectively our corps of volunteers. Your comments are timely as we are presently involved in assessing how we can strengthen our volunteer resources.

Again my thanks.

Regards,

David T. McLaughlin

cc: Marty Evans
bcc: Anne Sherwood w/incoming

Together, we can save a life

SFC-ARC-A002173



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

*Also mailed
9/26/03*

September 25, 2003

Shoichi Fujimori
President
Japanese Red Cross Society
1-3, Shiba Daimon
1 Chome
Minato-Ku, Tokyo 1058521
Japan

Dear Shoichi San,

I wanted to acknowledge with gratitude the enormously generous support that the Japanese Red Cross Society has provided to the American Red Cross for disaster relief following the 11 September 2001 tragedy. Your willingness to stand shoulder to shoulder with our society in its time of need strengthens the bond between our organizations and means a great deal to us. On behalf of our Board of Governors and our President, Marsha Evans, we thank you.

I look forward to seeing you again soon and will advise you as to the purposes to which your marvelous contributions are being dedicated. Again my warm thanks.

Sincerely,

David T. McLaughlin

cc: Board of Governors
Marsha J. Evans

bcc: Gerry Jones
Skip Seitz

Together, we can save a life

SFC-ARC-A002174



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

from Dick

July 24, 2003

Mr. Brian L. Hamil
Hamil, Lehman & England, P.C.
Certified Public Accountants
6404 Constitution Dr
Fort Wayne, IN 46804-1558

Dear Brian,

It is my pleasure to appoint you as Vice Chairman of the National Committee on Nominations for 2003-2004. Working with Gerard Wen, I am confident the Committee will continue to nominate superb candidates for national volunteer leadership positions.

From September 10th to 13th, the Board of Governors and its Committees will hold meetings at the Westfield Marriott in Chantilly, Virginia. The Board will spend some of its time in a retreat format. I hope that you and Gerard can be with us at the meetings and Retreat. Michelle Rhodd, Assistant Corporate Secretary, will provide you with the tentative schedule and accommodations information later this month.

Congratulations and best of luck to you in your task ahead. Please do not hesitate to contact me if I can be of assistance to you.

Regards,

David T. McLaughlin

cc: Marsha J. Evans
Mary DeKuyper

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SFC-ARC-A002175



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

July 28, 2003

Mr. Patrick J. Hughes
iTV Entertainment
11600 Sunrise Valley Drive
Suite 200
Reston, VA 20191

Dear Mr. Hughes:

I wanted to acknowledge your letter of 23 July 2003, concerning your discussions within our organization about your involvement in a televised New Years Eve event for the Red Cross. I am sure that there was no intent to mislead you or to misrepresent our interest in such a production. We all have a full plate and while I respect the decision that Chuck Connor has made in this regard, I will look into the matter to see if there was any way that we might be able to work together in a productive manner.

We appreciate your commitment to the American Red Cross and either Chuck, Marty, or I will be back in touch with you on this.

Regards,

David T. McLaughlin

cc: Marsha Evans
Chuck Connor

Together, we can save a life

SFC-ARC-A002176



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

July 24, 2003

Mr. Victor A. Koivumaki
156 Langen Rd.
Lancaster, MA 01523

Dear Victor,

It is my pleasure to appoint you as Chairman of the National Committee on Resolutions for 2003-2004. I appreciate your willingness to serve in this important position.

I recognize the value of a robust and independent resolutions process and hope that you will feel free to contact me if I can be of assistance. Just prior to the National Convention, the Governance Committee will appoint a Board liaison who should participate in a post-Convention evaluation review on the status of resolution process and bring to the Board of Governors any recommendations for improvement.

Congratulations and best of luck to you on your task ahead.

Regards,

David T. McLaughlin

cc: Marsha J. Evans
Mary DeKuyper
Mary Elcano

bcc: Michelle Rhodd

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SFC-ARC-A002177



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

September 2, 2003

Mr. Alan Laffley
Chairman, President and CEO
Procter & Gamble
1 Procter & Gamble Plaza
Cincinnati, OH 45202

Dear Alan,

Marty Evans, the President of the American Red Cross, and I would look forward to having the opportunity to meet with you at your convenience. We are grateful for the support that we have received from Procter and Gamble and would like to review with you some of our challenges going forward and how we might work together in addressing these opportunities.

I know that you have a difficult schedule, but we would appreciate whatever time you could give us. I will touch base with your office in the next several weeks. Unfortunately, I will miss the next ASCE meeting as I will be in Abu Dhabi for an international Red Cross/Red Crescent meeting — think I would rather be with you.

Regards,

David T. McLaughlin

cc: Marty Evans
bcc: Kathleen Loehr

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SFC-ARC-A002178



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

October 6, 2003

Wang Lizhong
Executive Vice President
Red Cross Society of China
53 Ganmian Hutong
Beijing 100010, China

Dear Mr. Lizhong:

On behalf of my associates on the Board of Governors, I wanted to thank you for your thoughtful letter expressing your sympathy over the destruction caused by Hurricane Isabel. Disasters of any type are difficult as they involve human lives – whether it be in China or the United States.

I hope that this finds you well.

Regards,

David T. McLaughlin

bcc: Marty Evans
Gerry Jones

Together, we can save a life

SFC-ARC-A002179



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

June 18, 2003

Dr. Anders Milton
President
Swedish Red Cross
P.O. Box 17 563
SE-118 91 Stockholm
Sweden

Dear Dr. Milton:

I was delighted that we had an opportunity to visit in Washington yesterday. Your commitment to marshal the resources of the Federation to address the issues of HIV/AIDS in Africa is exciting, and we will certainly support this initiative within the Federation councils.

We have considerable admiration for the work of the Swedish Red Cross and look forward to having a strong on-going collaborative relationship with you and your colleagues in the future.

Regards,

David T. McLaughlin

Together, we can save a life

SFC-ARC-A002180

Dr. Anders Milton
June 18, 2003

bcc: Gerry Jones
Marty Evans

SFC-ARC-A002181



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

October 31, 2003

Mr. Victor Miller
5608 Old Ferry Dock Road
Manns Harbor, NC 27953

Dear Mr. Miller:

I appreciated receiving your letter of 24 October 2003 enclosing your poem SOLILOQUY. It is a gracious expression of appreciation for the service that The Red Cross provided to you and your friends during Hurricane Isabel.

I have shared your letter and poem with our team in Washington and know that they will be as grateful as I am. If they feel that it can be used effectively to supplement their development activities I am sure that they will let you know.

Again my thanks.

Regards,

David T. McLaughlin

Together, we can save a life

SFC-ARC-A002182

Mr. Victor Miller
October 31, 2003

bcc: w/letter and poem
Marty Evans
Skip Seitz
Chuck Connor
Terry Sicilia

SFC-ARC-A002183

OCT 27 2003

October 24, 2003

American Red Cross
2025 E. Street, N.W.
Washington, DC 20006

Dear Headquarters Chairman,

I'm a resident of Manns Harbor in Dare County North Carolina and in appreciation for providing daily meals for me and my neighbors Bob and Louise Averill following Hurrican Isabels' destruction, I write to say "Thanks." Power was out for many days and without your prompt and reliable service recovery would have suffered. Numerous massive trees had fallen and we can today say cleanup is nearly complete. Property damage was minimal.

*The poem, **Soliloquy**, I send out of deep gratitude for the prompt and reliable arrival and dispersal of hearty meals to aid our efforts. Share it with colleagues, friends and family. The Red Cross epitomizes service to God and America and exemplifies to all Americans the virtues of generous giving. May its message edify you personally and bless your mission of compassionate intercession when families are hit with disasters.*

*If you feel **Soliloquy** worthy of serving your organization as an effective fund-raising tool, I'd be honored to learn your views. Please write to 5608 Old Ferry Dock Road, Manns Harbor, NC 27953-9696.*

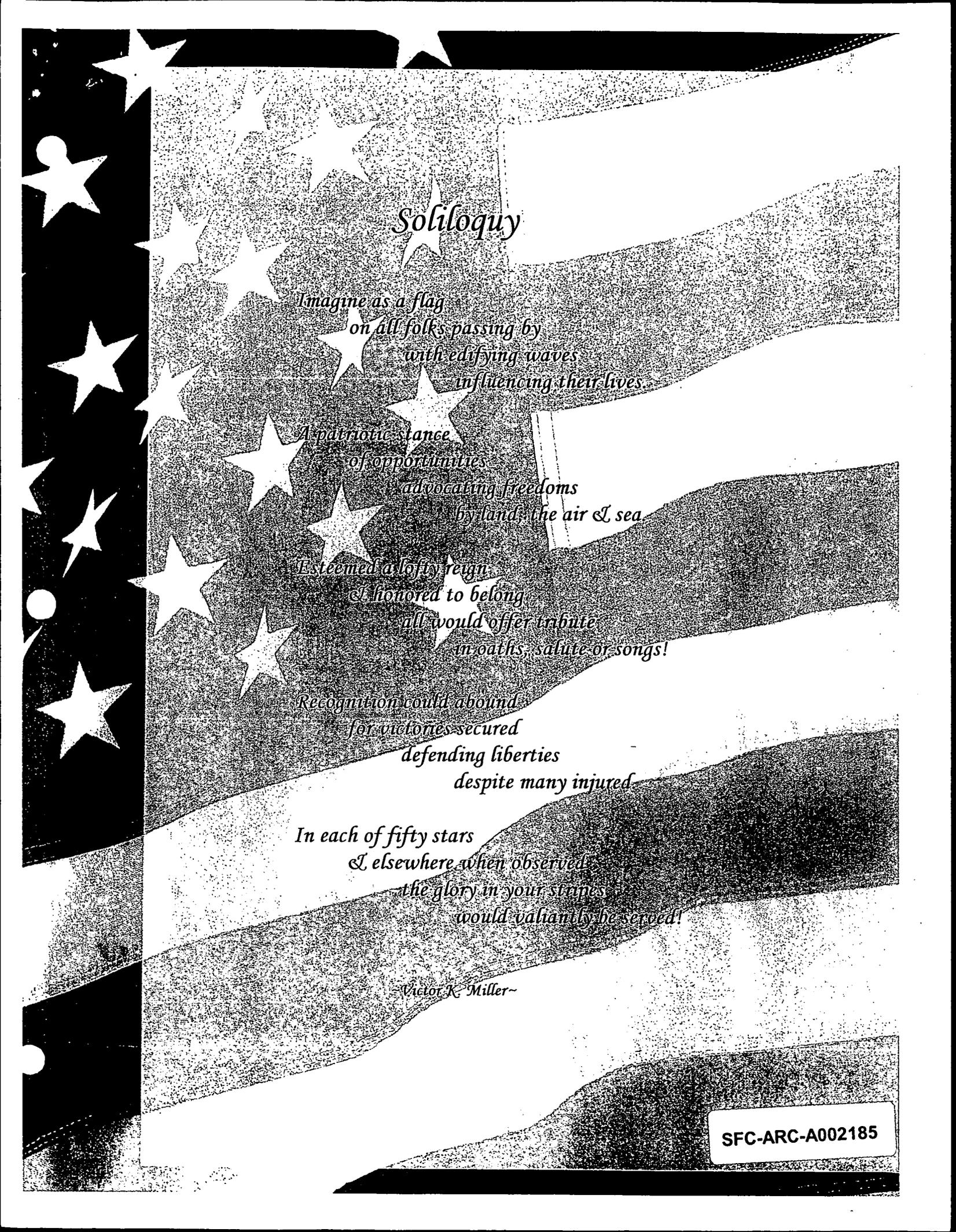
May God continually Save and Bless our great United States.

Sincerely,



Victor K. Miller

SFC-ARC-A002184



Soliloquy

*Imagine as a flag
on all folks passing by
with edifying waves
influencing their lives.*

*A patriotic stance
of opportunities
advocating freedoms
by land, the air & sea.*

*Esteemed a lofty reign
& honored to belong
all would offer tribute
in oaths, salute or songs!*

*Recognition could abound
for victories secured
defending liberties
despite many injured.*

*In each of fifty stars
& elsewhere when observed,
the glory in your stripes
would valiantly be served!*

Victor K. Miller

SFC-ARC-A002185

Victor Miller
5608 Old Ferry Dock Rd.
Manns Harbor, NC 27953



0000

20003

To: Chairman - BOG
American Red Cross
2025 E. Street, N.W.
Washington, DC 20006

SFC-ARC-A002186



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

December 17, 2003

Mr. Robert Merrick
1530 Calhoun Street
New Orleans, LA 70118

Dear Bob,

It was a privilege to be with Karen and you last Sunday. I love your house, enjoyed your hospitality and the wonderful lunch, but most of all it was just good to see you again and to be part of the ceremony honoring you in front of 68,000 of your fans and a much larger television audience. It is well deserved recognition for all that you have given to society – not the least of which is your leadership of the Red Cross.

I also want to thank you for the \$25,000 donation to the national Red Cross to acknowledge my coming to New Orleans and service at the national level. It was very special of you and all of us are grateful – many, many thanks.

Please give Karen a hug for me and my best wishes go to the two of you and your family for a wonderful holiday and a healthy and fulfilling New Year.

Regards,

David T. McLaughlin

cc: Marty Evans
bcc: Kay Wilkins

Together, we can save a life

SFC-ARC-A002187



National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

September 2, 2003

Mr. Henry McKinnell
Chairman, President and CEO
Pfizer, Inc.
235 East 42nd Street
New York, NY 10017

Dear Hank,

Marty Evans and I would like to arrange a visit in New York with you to discuss the overall partnership between the American Red Cross and Pfizer and to express our gratitude for your past support. We value the relationship that we have and are anxious to share with you some of our challenges going forward in order have your counsel -- particularly as they relate to some of our international initiatives.

If you are willing to meet with Marty, I would be most grateful and will try to join you but do not want to complicate the scheduling issues. Unfortunately, I will miss the next ASCE meeting as I will be in Abu Dhabi for an international Red Cross/Red Crescent meeting -- think that I would rather be with you.

I hope that all is well, and will touch base with you in the next several weeks.

Regards,

A handwritten signature in black ink, appearing to read "D. McLaughlin".

David T. McLaughlin

cc: Marty Evans

bcc: Kathleen Loehr

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SFC-ARC-A002188



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

October 24, 2003

Dr. Henry McKinnell
Chief Executive Officer
Pfizer Inc
235 East 42nd Street
New York, NY 10017

Dear Hank,

We tried recently to get some time on your calendar so that Marty Evans, the President of the American Red Cross and I could discuss the relationship between Pfizer and our organization - both internationally and domestically. Unfortunately, when Marty was available in New York, you were away but we are still anxious to have such a visit.

If you were willing, it would be helpful to have your office let us know some alternate dates when you may have some time in the next two or three months, we will schedule around this.

I was sorry to miss the last ASCE meeting - from all accounts it was very interesting and worthwhile.

Regards,

David T. McLaughlin

cc: Marsha J. Evans

bcc: Kathleen Loehr
Barbara Henderson ✓
Linda Nicklos

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SFC-ARC-A002189



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

June 18, 2003

Markku Niskala
Secretary General
Finnish Red Cross
Tehtaankatu 1 a
00140 Helsinki

Dear Mr. Niskala:

I wanted to extend the best wishes of the American Red Cross to you as you prepared to assume your new responsibilities at the Federation. You are stepping into this position at a challenging time and if we can be of assistance to you we are anxious to do so.

Regards,

David T. McLaughlin

cc: Juan Manuel Suárez del Toro

Together, we can save a life

SFC-ARC-A002190

Markku Niskala
June 18, 2003

Bcc: Marty Evans
Maurice Worth
Gerry Jones

SFC-ARC-A002191



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

September 26, 2003

Mr. Richard Perle
#5 Grafton Street
Chevy Chase, MD 20815

Dear Richard,

I am grateful to you and your associates for the meeting that we had this week to discuss Hemanext. Mart Bitensky is impressive as were his colleagues.

After the scientists have a go at this and assuming that their review affirms the positive initial impression that Jerry had, it will be important to define what the relationship between Hemanext and the American Red Cross might look like and what the next steps should be. Since there is a long lead time on these projects, the sooner we can reach agreement – if there is to be one – and get on with it the better.

Alan McCurry will be the senior player from Red Cross management and will represent us in these discussions. We are searching for a new CEO of our Biomedical operations but that may take some time and Alan is fully capable of leading this initiative from our standpoint.

Let's stay in touch and thanks for bringing us into these discussions.

Regards,

David T. McLaughlin

cc: Marsha J. Evans
Alan McCurry

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SFC-ARC-A002192



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

July 28, 2003

Mr. Bruce Rauner
Managing Principal
GTCR Golder Rauner, LLC
6100 Sears Tower
Chicago, IL 60606-2200

Dear Bruce,

I just heard today of your spectacular gift to the Chicago Chapter to enable them to move ahead with their new building program and to do so under your banner. I could not be more delighted and wanted to express my gratitude to you. I know better than most about your generosity to Dartmouth and to several other worthy organizations so the fact that you and Diana would reach out to help the Red Cross says volumes about your commitment to make Chicago and the nation a better society. I thank you.

At a convenient point I would like to discuss with you your possible involvement with our national board – maybe after you have swallowed the AMEX.

Regards and again my thanks,

David T. McLaughlin

bcc: Bill Braden
Brenda Asare
Marty Evans
Doug Dittrick

(Doug, a three million dollar gift -- a good Dartmouth man who fortunately did not give it all to our college!).

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SFC-ARC-A002193



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

July 28, 2003

Ms. Kathleen Roberts
50 Cobb's Mill Road
Wilton, CT 06897

Dear Ms. Roberts:

I wanted to express my appreciation for your very gracious letter of 14 July 2003. It is gratifying that you and your family are now able to bring some greater stability and normalcy to your lives after the terrible ordeal of 11 September 2001. Whatever role the American Red Cross played in your recovery means a great deal to all of us as it is what the American public has come to expect of the Red Cross -- it is why we have over a million volunteers -- it is why we do what we do.

Your acknowledgement of that commitment means more to us than you can ever imagine.

Regards and thanks,

A handwritten signature in black ink, appearing to read "David T. McLaughlin".

David T. McLaughlin

bcc: Marty Evans
Chuck Connor w/incoming letter

Together, we can save a life

SFC-ARC-A002194

JUL 22 2003

50 Cobb's Mill Road
Wilton, Connecticut 06897
203-762-8434
July 14, 2003

David McLaughlin
Chairman
American Red Cross
2025 E. Street NW
Washington DC 20006

Dear Mr. McLaughlin,

A few short months after September 11, 2001, we received a check from The American Red Cross. This check could not have been more timely. Just that morning I was wondering how I was going to pay the mortgage for that month.

My husband's company folded along with his building on that tragic day. Luckily, he escaped unhurt but we had been having financial difficulties ever since. Being unemployed for a number of months depleted our savings to nothing. I work as a registered nurse in a local hospital, which helped pay for most of the day-to-day bills but had left us short each month.

Thankfully, my husband has recently found employment and we are finally on the road to emotional and financial recovery.

So...

A very belated, yet heartfelt, thank you. Your organization can be proud of the support you gave to my family and families like mine. I will never forget your kindness.

Sincerely,



Kathleen Roberts



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

September 24, 2003

Mr. Richard Schubert
6615 Madison McLean Drive
McLean, VA 22101

Mr. George Elsey
5351 MacArthur Boulevard
Washington, D.C. 20016-2539

Dear Dick and George,

I wanted to thank you for your continued commitment to the American Red Cross and for your willingness to share with us your wisdom and experience.

Marty and I agree with your concerns about the MDA issue. Within the policy parameters of the bareme decision by the Governors, we have tried to play a constructive role in the Federation and to escrow only two years of the bareme releasing the balance to fund international humanitarian efforts including the cost of Federation support systems in certain countries where ARC is involved.

Until the emblem issue is resolved and MDA is admitted to the Federation, it would be difficult for the Red Cross to change its current policy for the reasons we outlined. The matter has been so politicized within the Jewish community that the Red Cross could be severely compromised if we reversed our present position. If you have any ideas or suggestions as to how to solve that dilemma, Marty and I would welcome them.

It was good to see you and look forward to staying in touch with you.

Regards,

David T. McLaughlin

cc: Marty Evans

bcc: Maurice Worth
Gerry Jones

Together, we can save a life

SFC-ARC-A002196



National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

May 22, 2003

Mr. Juan Manuel Suarez del Toro
President
Spanish Red Cross
28023 El Plantio
Madrid, SPAIN

Dear Mr. President:

I wanted to respond to your thoughtful letter of 17 April 2003 in which you graciously invite me to participate on your Foundation's Board of Directors. Recognizing the importance of expanding the funding base for the Foundation, I would be pleased to join this Board and to assist in any way that I can.

It will be important for the Foundation to coordinate closely with the appropriate National Society whenever prospects are identified in the member's country in order to respect the current guidelines for cross border development work.

I look forward to seeing you again soon as we have much to discuss.

Warm regards and best wishes,

A handwritten signature in black ink, appearing to read "D. McLaughlin".

David T. McLaughlin

bcc: Marsha Evans
Doug Dittrick
Alan McCurry
Gerry Jones

Together, we can save a life

SFC-ARC-A002197



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

June 4, 2003

Mr. Juan Manuel Suarez del Toro
President
Spanish Red Cross
28023 El Plantio
Madrid, SPAIN

Dear Juan Manuel,

I learned of the departure of Didier as Secretary General of the Federation with regret – regret that you have the management of the transition thrust upon you, regret for the Federation to have a change of leadership at such a critical time and regret for Didier as I am sure that he is disappointed.

If there is anything that I can do personally to be of assistance to you or if the American Red Cross can be of help, I hope that you will let me know.

Sincerely,

David T. McLaughlin

bcc: Marty Evans
Gerry Jones

Together, we can save a life

SFC-ARC-A002198



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

January 13, 2003

David S. C. Chu
Under Secretary of Defense
4000 Defense Pentagon
Washington, D.C. 20301-4000

Dear Mr. Chu:

I wanted to acknowledge your letter of 3 January 2003, by which you transmit to Congress the U.S. Army Audit Agency review of KPMG LLP's audit of the American Red Cross financials for the year ended 30 June 2002.

I have forwarded your recommendations to our Audit Committee and we will advise you of the actions that we will take to respond to these suggestions. We thank you and your staff for their professional conduct throughout this auditing process.

Sincerely,

David T. McLaughlin

cc: Marsha J. Evans
President and CEO
American Red Cross

Kate Forbes
Chair, Audit Committee
Board of Governors

Together, we can save a life

SFC-ARC-A002199

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

JAN 3 2003



PERSONNEL AND
READINESS



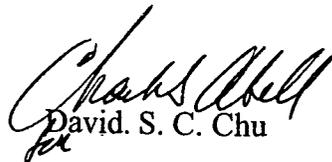
The Honorable Richard B. Cheney
President of the Senate
Washington, DC 20510

Dear Mr. President:

Section 300110 of title 36, United States Code, requires that the Secretary of Defense annually audit and report to Congress on the activities of the American Red Cross, including a complete, itemized report of all receipts and expenditures. The American Red Cross contracted with KPMG LLP to conduct its annual audit for the financial year ending June 30, 2002. The Consolidated Financial Statement, KPMG LLP's Auditor report, and the Opinion of the Auditor General of the Army are enclosed with this letter.

A similar letter is being sent to the Speaker of the House.

Sincerely,


David S. C. Chu

Enclosures:
As stated



SFC-ARC-A002201



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

January 13, 2003

David S. C. Chu
Under Secretary of Defense
4000 Defense Pentagon
Washington, D.C. 20301-4000

Dear Mr. Chu:

I wanted to acknowledge your letter of 3 January 2003, by which you transmit to Congress the U.S. Army Audit Agency review of KPMG LLP's audit of the American Red Cross financials for the year ended 30 June 2002.

I have forwarded your recommendations to our Audit Committee and we will advise you of the actions that we will take to respond to these suggestions. We thank you and your staff for their professional conduct throughout this auditing process.

Sincerely,

David T. McLaughlin

cc: Marsha J. Evans
President and CEO
American Red Cross

Kate Forbes
Chair, Audit Committee
Board of Governors

Together, we can save a life

SFC-ARC-A002202



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000



1:41

JAN 3 2003

Mr. David T. McLaughlin
Chairman, Board of Governors
The American Red Cross
17th and D Streets, NW
Washington, DC 20006

Dear Mr. McLaughlin:

In accordance with section 300110 of title 36, United States Code, I am transmitting to Congress the U.S. Army Audit Agency review of the audit conducted by KPMG LLP of American Red Cross (ARC) activities for the year that ended on June 30, 2002. Enclosed are copies of the Letters of Transmittal and the U.S. Army Audit Agency review.

The Under Secretary of Defense (Comptroller) (USD(C)) has reviewed the audited financial statements and provided a recommendation for improvement of future statements. The USD(C) noted that the current financial statements do not contain financial performance indicators such as financial ratios, trend analysis or financial performance metrics. Inclusion of these indicators in future ARC financial statements would enhance the reader's ability to comprehend the organization's performance. I would ask that you provide this recommendation to the ARC Audit Committee.

Thank you and all at the American Red Cross for your continued support of our military members and families.

Sincerely,


David S. C. Chu

Enclosures:
As stated



SFC-ARC-A002203



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

JAN 3 2003



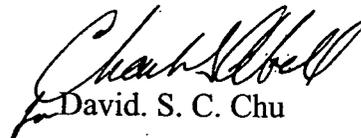
The Honorable J. Dennis Hastert
Speaker of the House
Washington, DC 20510

Dear Mr. Speaker:

Section 300110 of title 36, United States Code, requires that the Secretary of Defense annually audit and report to Congress on the activities of the American Red Cross, including a complete, itemized report of all receipts and expenditures. The American Red Cross contracted with KPMG LLP to conduct its annual audit for the financial year ending June 30, 2002. The Consolidated Financial Statement, KPMG LLP's Auditor report, and the Opinion of the Auditor General of the Army are enclosed with this letter.

A similar letter is being sent to the President of the Senate.

Sincerely,


David S. C. Chu

Enclosures:
As stated



SFC-ARC-A002204



DEPARTMENT OF THE ARMY
U.S. ARMY AUDIT AGENCY
Office of the Auditor General
3101 Park Center Drive
Alexandria, VA 22302-1596

30 October 2002

A-2003-0032-FFG

Independent Auditors' Report

The Act of Congress that incorporated the American Red Cross, as implemented by Department of Defense Directive 1330.5 and Army Regulation 930-5, requires that the U.S. Army Audit Agency perform an annual audit of the financial statements of the American Red Cross. The American Red Cross contracted with the certified public accounting firm of KPMG LLP as the principal auditor to perform a financial audit of its 2002 financial statements. To fulfill our audit responsibilities, avoid duplication and unnecessary expense, and make the most efficient use of our available resources, we reviewed the principal auditor's work and reports.

The American Red Cross is the instrument chosen by an Act of Congress, approved January 5, 1905, to help carry out obligations assumed by the United States under certain international treaties known as the Geneva or Red Cross Conventions. Its Congressional Charter imposes on the American Red Cross the duties to act as the medium of voluntary relief and communication between the American people and the Armed Forces, and to carry on a system of national and international relief to prevent and mitigate suffering caused by disasters.

We reviewed KPMG LLP's audit of the consolidated financial statements of the American Red Cross for the fiscal year ended June 30, 2002. In the opinion of the principal auditor, based on its audit and the reports of other auditors, the American Red Cross' 2002 consolidated statement of financial position presents fairly, in all material respects, its financial position as of June 30, 2002 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, in conformity with generally accepted accounting principles.

We conducted our review in accordance with generally accepted government auditing standards. Those standards require that we determine the reasonableness of the principal auditor's work and the extent to which we could rely on it. We reviewed the financial statements and auditor's report to evaluate compliance with generally accepted accounting principles and auditing standards. Our review included the auditors' qualifications, independence, quality control methods, planning, and evidence. We also tested the auditor's work to evaluate the auditor's understanding of the internal control structure, and the nature, timing, and extent of the audit work performed.

SFC-ARC-A002205

Nothing came to our attention to indicate that KPMG LLP's opinion on the American Red Cross' 2002 financial statements is inappropriate or cannot be relied on.

We believe that the financial statements, together with KPMG LLP's opinion and our review of that work, furnish Congress a dependable basis for evaluating the financial condition of the American Red Cross.



FRANCIS E. REARDON, CPA
The Auditor General



Together, we can save a life

PTM a
National Headquarters
430 17th Street, N.W.
Washington, D.C. 20006
(202) 434-4035

David T. McLaughlin
Chairman

MEMORANDUM

Date: April 2, 2003

To: Marty Evans
Carolyn Prevatte

From: Barbara Henderson

Re: Letter of January 3, 2003, from David S.C. Chu,
Under Secretary of Defense

Have you received any follow up on the attached correspondence from David S. C. Chu, Under Secretary of Defense, with respect to the U. S. Army Audit review of KPMG LLP's audit of the American Red Cross financials for the year ended June 30, 2002?

Attachment

SFC-ARC-A002207



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

January 13, 2003

David S. C. Chu
Under Secretary of Defense
4000 Defense Pentagon
Washington, D.C. 20301-4000

Dear Mr. Chu:

I wanted to acknowledge your letter of 3 January 2003, by which you transmit to Congress the U.S. Army Audit Agency review of KPMG LLP's audit of the American Red Cross financials for the year ended 30 June 2002.

I have forwarded your recommendations to our Audit Committee and we will advise you of the actions that we will take to respond to these suggestions. We thank you and your staff for their professional conduct throughout this auditing process.

Sincerely,

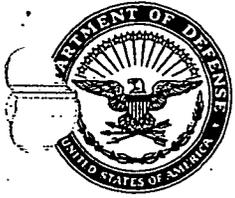
David T. McLaughlin

cc: Marsha J. Evans
President and CEO
American Red Cross

Kate Forbes
Chair, Audit Committee
Board of Governors

Together, we can save a life

SFC-ARC-A002208



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000



1:41

JAN 3 2003

Mr. David T. McLaughlin
Chairman, Board of Governors
The American Red Cross
17th and D Streets, NW
Washington, DC 20006

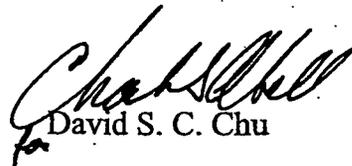
Dear Mr. McLaughlin:

In accordance with section 300110 of title 36, United States Code, I am transmitting to Congress the U.S. Army Audit Agency review of the audit conducted by KPMG LLP of American Red Cross (ARC) activities for the year that ended on June 30, 2002. Enclosed are copies of the Letters of Transmittal and the U.S. Army Audit Agency review.

The Under Secretary of Defense (Comptroller) (USD(C)) has reviewed the audited financial statements and provided a recommendation for improvement of future statements. The USD(C) noted that the current financial statements do not contain financial performance indicators such as financial ratios, trend analysis or financial performance metrics. Inclusion of these indicators in future ARC financial statements would enhance the reader's ability to comprehend the organization's performance. I would ask that you provide this recommendation to the ARC Audit Committee.

Thank you and all at the American Red Cross for your continued support of our military members and families.

Sincerely,


David S. C. Chu

Enclosures:
As stated



SFC-ARC-A002209



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000



JAN 3 2003

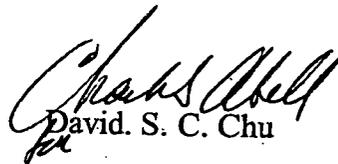
The Honorable Richard B. Cheney
President of the Senate
Washington, DC 20510

Dear Mr. President:

Section 300110 of title 36, United States Code, requires that the Secretary of Defense annually audit and report to Congress on the activities of the American Red Cross, including a complete, itemized report of all receipts and expenditures. The American Red Cross contracted with KPMG LLP to conduct its annual audit for the financial year ending June 30, 2002. The Consolidated Financial Statement, KPMG LLP's Auditor report, and the Opinion of the Auditor General of the Army are enclosed with this letter.

A similar letter is being sent to the Speaker of the House.

Sincerely,


David S. C. Chu

Enclosures:
As stated



SFC-ARC-A002210



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000



JAN 3 2003

The Honorable J. Dennis Hastert
Speaker of the House
Washington, DC 20510

Dear Mr. Speaker:

Section 300110 of title 36, United States Code, requires that the Secretary of Defense annually audit and report to Congress on the activities of the American Red Cross, including a complete, itemized report of all receipts and expenditures. The American Red Cross contracted with KPMG LLP to conduct its annual audit for the financial year ending June 30, 2002. The Consolidated Financial Statement, KPMG LLP's Auditor report, and the Opinion of the Auditor General of the Army are enclosed with this letter.

A similar letter is being sent to the President of the Senate.

Sincerely,


David S. C. Chu

Enclosures:
As stated



SFC-ARC-A002211



DEPARTMENT OF THE ARMY
U.S. ARMY AUDIT AGENCY
Office of the Auditor General
3101 Park Center Drive
Alexandria, VA 22302-1596

30 October 2002

A-2003-0032-FFG

Independent Auditors' Report

The Act of Congress that incorporated the American Red Cross, as implemented by Department of Defense Directive 1330.5 and Army Regulation 930-5, requires that the U.S. Army Audit Agency perform an annual audit of the financial statements of the American Red Cross. The American Red Cross contracted with the certified public accounting firm of KPMG LLP as the principal auditor to perform a financial audit of its 2002 financial statements. To fulfill our audit responsibilities, avoid duplication and unnecessary expense, and make the most efficient use of our available resources, we reviewed the principal auditor's work and reports.

The American Red Cross is the instrument chosen by an Act of Congress, approved January 5, 1905, to help carry out obligations assumed by the United States under certain international treaties known as the Geneva or Red Cross Conventions. Its Congressional Charter imposes on the American Red Cross the duties to act as the medium of voluntary relief and communication between the American people and the Armed Forces, and to carry on a system of national and international relief to prevent and mitigate suffering caused by disasters.

We reviewed KPMG LLP's audit of the consolidated financial statements of the American Red Cross for the fiscal year ended June 30, 2002. In the opinion of the principal auditor, based on its audit and the reports of other auditors, the American Red Cross' 2002 consolidated statement of financial position presents fairly, in all material respects, its financial position as of June 30, 2002 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, in conformity with generally accepted accounting principles.

We conducted our review in accordance with generally accepted government auditing standards. Those standards require that we determine the reasonableness of the principal auditor's work and the extent to which we could rely on it. We reviewed the financial statements and auditor's report to evaluate compliance with generally accepted accounting principles and auditing standards. Our review included the auditors' qualifications, independence, quality control methods, planning, and evidence. We also tested the auditor's work to evaluate the auditor's understanding of the internal control structure, and the nature, timing, and extent of the audit work performed.

SFC-ARC-A002212

Nothing came to our attention to indicate that KPMG LLP's opinion on the American Red Cross' 2002 financial statements is inappropriate or cannot be relied on.

We believe that the financial statements, together with KPMG LLP's opinion and our review of that work, furnish Congress a dependable basis for evaluating the financial condition of the American Red Cross.



FRANCIS E. REARDON, CPA
The Auditor General

Henderson, Barbara

From: David T. McLaughlin [dmcl@tds.net]
Sent: Wednesday, January 15, 2003 10:27 AM
To: Murli@Murlideora. Com
Cc: Gerald Jones; Marsha Evans
Subject: Follow Up
Importance: High
Sensitivity: Private

Dear Mr. Deora:

I am grateful for your prompt response following our visit to Mumbai. As I mentioned in a letter that I sent to you yesterday, the visit to the Gandhi Institute was one of the highlights of the trip – such refreshing enthusiasm, on the part of the students. There is no better way to invest in the future of India than that which you have initiated. I will write Patty Stonesifer this week.

Following Marty Evans visit in Geneva, I will be back in touch with you with regard to the next steps that must be taken to make the Federation a more effective body and to make the American Red Cross a more effective partner.

Again my thanks.

Regards,

David T. McLaughlin, Chairman

American Red Cross



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

March 24, 2003

Dominic Frederico
Chairman
ACE INA
TL56B 1601 Chestnut Street
Philadelphia, PA 19103

Dear Dominic,

I enjoyed visiting with you and admire your leadership of ACE-INA. Having been associated with Partner Re, I appreciate the challenges that the industry is facing – you seem to be well ahead of the curve.

Your support of the Red Cross and the Southeastern Pennsylvania Chapter has been extraordinary and we are grateful to you and your associates. I was delighted to learn that you will commit another million dollars a year over the next three years to disaster preparedness and response. Nothing could be more important and we will prepare a proposal for you that will support the extensive program that the American Red Cross is undertaking to prepare this country for these eventualities.

I was delighted that your son survived miraculously his accident. You practiced risk management with the highest stakes possible. I am gratified for you and your family.

Warm regards,

David T. McLaughlin

cc: Frank Donaghue

bcc: Marty Evans
Skip Seitz

Together, we can save a life

SFC-ARC-A002216



National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

April 24, 2003

Ms. Veronica Z. Froman
Chief Executive Officer
San Diego/Imperial Counties Chapter
American Red Cross
3650 Fifth Avenue
San Diego, CA 92103

Dear Ronne,

My heartiest congratulations on your appointment as Chapter Executive in San Diego. It is a challenging assignment but your background looks perfect for the task.

I am anxious to meet you and to be of whatever assistance that I can.

With best wishes.

Regards,

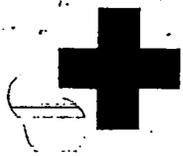
A handwritten signature in black ink, appearing to read "David T. McLaughlin", written in a cursive style.

David T. McLaughlin

bcc: Ross Ogden
Marty Evans

Together, we can save a life

SFC-ARC-A002217



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

February 11, 2003

William W. George
Former Chairman and CEO
Medtronic, Inc.
4900 IDS Center
80 South 8th Street
Minneapolis, MN 55402

Dear Bill,

I wanted to acknowledge your letter of 3 February – not good news!
Before you close that door and lock it, could we discuss it one more time?

Many thanks.

Warm regards,

A handwritten signature in black ink, appearing to read "D. McLaughlin".

David T. McLaughlin

bcc: Marty Evans
Fred Grein

Together, we can save a life

SFC-ARC-A002218



National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

March 31, 2003

Ms. Janet Davidson
Vice President (Americas)
International Federation
Canadian Red Cross National Office
170 Metcalfe Street, Suite 300
Ottawa, Ontario
Canada K2P 2P2

Dear Janet,

I appreciated receiving your letter of 10 March, 2003, sharing the news of your candidacy for the Standing Commission.

Unfortunately, I will not be able to attend the meetings in Santiago. Our President and CEO, Marty Evans, will however lead our delegation and I have encouraged her to arrange a meeting or possibly dinner on the day of arrival for the two of you to meet. Gerry Jones, our Vice President of International Services, will be in touch with his counterparts to find a mutually agreeable time.

I am delighted to learn of your candidacy for the Standing Commission and the American Red Cross pledges our full and complete support. Your distinguished record of leadership involvement within the Canadian Red Cross and the larger Movement are a solid basis for a position on the Standing Commission and we would all benefit from your thoughtful ideas and considered opinions about our Movement.

As I noted in my remarks to the General Assembly in 2001, the American Red Cross feels closest in spirit to the Canadian Red Cross and is very proud of our longstanding collaboration. Even in our darkest of hours following the terrible attacks on September 11, 2001, we knew we could depend upon our neighbors to the north, the only other society that could so seamlessly integrate their staff and support with our disaster relief systems.

SFC-ARC-A002219

Together, we can save a life

Ms. Janet Davidson
March 31, 2003
Page 2

Please let me know if we can do anything to help promote your candidacy for the Standing Commission, now or later in the year at the International Conference. We look forward to continuing our collaboration, in your post as Federation Vice President, as a Canadian Red Cross volunteer and, hopefully, soon as a member of the Standing Commission.

Sincerely,



David T. McLaughlin

bcc: Marty Evans
Carol Ann Haake
Gerry Jones

SFC-ARC-A002220



**American
Red Cross**

Correspondence/Pre Brief Cover Sheet

March 31, 2003

To: David McLaughlin
From: Marty Evans *CP for Marty*
Prepared By: Gerry Jones

Subj: Your request for a recommendation re: the candidacy of Janet Davidson (Canadian Red Cross) to the Standing Commission of the ICRC

Background/Discussion/Issue:

After review, we believe the best course is to support the candidacy of the Ms. Davidson.

TAB A: Your Memo, including a copy of Ms. Davidson's letter requesting ARC's support of her candidacy

TAB B: A draft letter to Ms. Davidson supporting her candidacy.

TAB C: Ms. Davidson's biography

TAB D: Ms. Davidson's official Declaration of Candidacy

Recommendation:

I recommend approval.

Action:

Approved

[Handwritten signature]

Disapproved

Comments:

MAR 17 2003



Canadian Red Cross
Croix-Rouge canadienne

March 10, 2003

Mr. David T. McLaughlin
Chairman
American Red Cross
431 18th Street N.W., 2nd Floor
20006 Washington D.C

Dear Mr. McLaughlin,

With the XVII Inter-American Red Cross Conference just around the corner and the opportunity for us to gather together in Chile fast approaching, I wanted to write you to personally inform you of a decision that I have made.

Over the last several months, a number of colleagues and associates within the Red Cross and Red Crescent Movement have encouraged me to consider allowing my name to stand for election to the Standing Commission. While this idea had not occurred to me, especially after my election as Vice President of the Federation in 2001, I began to reflect more on how I could contribute leadership and knowledge from my experiences in a national society level and in a senior governance position at the International Federation to the benefit of the Movement at large through the Standing Commission.

With the full support of the Canadian Red Cross, I therefore have decided submit my candidacy to the Standing Commission and will be formally announcing my aspiration at the time of the Inter-American Conference.

Since I have worked closely with you in various capacities, I wanted you to receive this news in advance of the conference and in a more personal way. I am looking forward to seeing you in Chile at the end of April and hope that we will have an opportunity for one-on-one conversation about your expectations of the Standing Commission and what role you feel I might be able to play in this regard.

Yours sincerely,

Janet Davidson
Vice President (Americas)
International Federation

SFC-ARC-A002222

JANET DAVIDSON

Janet Davidson is President & Chief Executive Officer of Toronto East General Hospital. She serves internationally as Vice-President and Board Member of the International Federation of Red Cross and Red Crescent Societies and was named one of the first recipients of the Who's Who in Healthcare in Canada award in 1999 and received the YWCA Woman of Distinction Award and the Government of Canada's 125th Anniversary Medal. Janet trained as a nurse at Toronto East General Hospital and also has BScN and MHSA degrees. She is a member of the JPPC Operations Steering Committee and serves on the boards of the GTA Child Health Network and the Regional Geriatric Program of Metropolitan Toronto. Prior to returning to Ontario, she spent over 20 years in leadership positions in health care in Edmonton, Alberta as Assistant Deputy Minister of Health, Chief Operating Officer with the Capital Health Authority and the Provincial Mental Health Board and Vice-President with the University of Alberta Hospital.

**NOMINATION FORM
FOR ELECTION OF MEMBERS
TO THE STANDING COMMISSION
AT THE INTERNATIONAL CONFERENCE OF
THE RED CROSS AND RED CRESCENT IN 2003
(Term of office December 2003-2007)**

This Nomination Form is intended to facilitate the presentation of candidates' to the Conference's electorate. The Secretariat of the Standing Commission is at the candidates' disposal for any technical questions or advice for completing this form (9-11 La Vy-des-Champs, 1202 Geneva, Switzerland; tel.: 00 41 22 730 20 32; fax.: 00 41 22 730 20 27; e-mail: standcom@bluewin.ch).

According to Rule 21 of the Rules of Procedure for the Movement, nominations for the Standing Commission must be delivered to the Chairman of the Conference's Bureau latest 48 hours before the opening of the meeting in which the election is to take place. It is, however, recommended that nominations for the Standing Commission membership be submitted to the Standing Commission's Secretariat preferably by September 1, 2003 to allow sufficient time for National Societies and governments to prepare for the elections.

The Bureau shall officially circulate the curriculum vitae of each candidate 24 hours before the opening of the meeting in which the election is to take place. Received candidatures will be shared with National Societies and governments before the Conference.

These nomination forms of submitted candidatures will be posted on the Movement's website (www.redcross.int).

Please enclose a certificate of membership from the National Society and a passport size b/w photograph to this nomination form.

Declaration of candidacy:

I, the undersigned, Janet Davidson, member of The Canadian Red Cross Society, hereby submit my candidature for the election of members to the Standing Commission by the International Conference of the Red Cross and Red Crescent in 2003. I am fully aware of the tasks assigned to the Standing Commission by Article 18 of the Statutes of the International Red Cross and Red Crescent Movement, and of the "Profile for Candidates for Election to the Standing Commission" endorsed in 1995 by the Movement's Council of Delegates.

If elected, I am committed to serve, in my personal non-partisan capacity, the sole interest of the Movement, respecting the fundamental principles, and to fulfill its humanitarian ideal and goals.

Place and date: Ottawa, Canada, December 18, 2002



Personal Details of the Candidate	
FAMILY NAME (Mr., Mrs., Ms., title):	Ms. Davidson
FIRST NAME(S):	Janet
NATIONALITY:	Canadian
DATE OF BIRTH (DD.MM.YY):	16/09/1947
MEMBER OF: (Name of National Society)	The Canadian Red Cross Society
PRESENT FUNCTION(S) IN THE MOVEMENT/ NATIONAL SOCIETY:	Vice President (Americas) International Federation Board of Governors (ex-officio) Honorary Vice President
PRESENT FUNCTION(S) OUTSIDE THE MOVEMENT (when applicable):	President and Chief Executive Officer Toronto East General Hospital Toronto, Canada

Why do I aspire to join the Standing Commission?

Successful organizations are those with strong leadership, a clear vision of the future, goals and objectives that support achievement of that vision, and alignment of key stakeholders around that vision, goals and objectives.

With thirty years direct involvement in the Red Cross/Red Crescent Movement, both as a staff member and as a volunteer, at the national society level as well as internationally, I bring a wealth and depth of knowledge and experience which I believe can help further the work of the Standing Commission in it's leadership role within the Movement.

At this time in our history, the need for harmony and coordination within the Movement and its components could not be more critical. I believe that I have a good appreciation of the issues we face and would like the opportunity to help provide leadership to the Movement as we move forward in these challenging times.

What do I hope to achieve with the Standing Commission?

As a member of the Standing Commission, I would work to facilitate better coordination and cooperation between the components of the Movement. The Strategy for the Movement is an important map that can help guide us. The Federation, its member national societies and the ICRC must all take ownership of the Strategy and be committed to its success.

A well functioning Movement is dependent upon the success of its components. I would like to see National Societies take a more active role in the development of the agenda and work program for the International Conference. I would also like to see governments become more actively involved on an ongoing basis in the planning for and follow up to the International Conference.

It is also my hope that the Standing Commission will continue to use its influence and focus its efforts to advance an acceptable solution to the 'emblem issue' thereby achieving full universality within the Movement.

Experience in my National Society

DATES:

(Start with the most recent)

1997 to present	Board of Governors (ex-officio)
2000 - present	Honorary Vice President
1998 - 2000	Immediate Past President, Board of Governors
1995 - 1997	President and Chair of the Board of Governors
1993 - 1995	Vice President, Board of Governors
1992 - 1993	Chair, National Planning & Budget Review Committee, Board of Governors
1990 - 1992	President, Alberta/N.W.T. Division, member of the Board of Governors
1989 - 1991	Member, National Planning and Budget Review Committee
1985 - 1987	President of the Edmonton Branch
1982 - 1983	Member, National Health & Community Services Advisory Committee
1979 - 1982	Member, National First Aid Advisory Committee
1973 - 1979	National Coordinator, Health & Community Services (staff)

International experience in the Movement (e.g.: functions in the Movement apart from the National Society of origin; tasks and participation in international events/activities/operations of the Movement)	
DATES: (Start with the most recent)	
2001 to present	Vice President, International Federation of Red Cross and Red Crescent Society (from the Americas) – 2 nd term <i>(Since my election in 1997, a major focus of my work has been on improving Board effectiveness through the application of good governance practices)</i>
1997 – 2001	Vice President, International Federation of Red Cross and Red Crescent Society (for the Americas) – 1 st term (one of two Vice Presidents from the Americas) <i>(As the Federation's Vice President, represented the Federation at a number of UN Sessions in New York. Also assisted in the planning for and conduct of the Interamerican Regional Conference)</i>
1994 – 1997	Representative of the Canadian Red Cross to Conferences, Regional and National Meetings in Africa, Europe, the Caribbean, South America, and the Philippines. Also participated in preparatory meetings for the development of the Seville Agreement.

Professional experience (outside the Movement)	
DATES: (Start with the most recent)	
2001	President and CEO, Toronto East General Hospital
2000-2001	Executive Vice President and Chief Operating Office, Toronto East General Hospital (Acting CEO since April 2000 due to temporary secondment of CEO)
1999	Chief Operating Officer (Corporate Development), Alberta Mental Health Board
1996- 1999	Senior Operating Officer/Chief Operating Officer (University of Alberta Hospital), Capital Health Edmonton.
1994-1996	Assistant Deputy Minister - Ministry of Health, Government of Alberta, Edmonton.
1990-1994	Vice President, University of Alberta Hospitals, Edmonton.

1988-1990	Director of Planning, University of Alberta Hospitals, Edmonton.
1981-1988	Manager/Senior Manager, Alberta Health, Edmonton.
1979-1980	Consultant (Part Time) Emergency Preparedness and Disaster Relief, Pan American Health Organization (Washington, DC)
1973 – 1979	National Coordinator, Health and Community Services, Canadian Red Cross Society, Toronto.
1971- 1973	Nursing Teacher, Toronto East General Hospital, Toronto

Other achievements (particularly in social and humanitarian fields)	
DATES: (Start with the most recent)	
2001 to present	Board Member, Child Health Network of Greater Toronto Board Member, Greater Toronto Regional Geriatric Program Member – Operations Steering Committee (Government of Ontario/Ontario Hospital Association Joint Policy and Planning Commission)
2001	Member, Intensive Services and Supports Sub Committee, Ontario Mental Health Task Force
2000 to present	Member, Rotary International (East Toronto Chapter)
2000 - 2002	Board Member, Canadian Mental Health Association (Ontario Division)
1996 – 1998	Member, Alberta Breast Cancer Screening Policy Council
1995 - 1997	Co-Chair, Alberta Health Services Costing Project Steering Committee
1995 – 1996	Alberta Government Representative on Board of CIHI (Canadian Institute of Health Information) Alberta Government Representative on Board of CCOHTA (Canadian Coordinating Office of Health Technology Assessment)
1994	Member, Alberta Task Force on Models and Systems for Health Care Delivery Member, Council of Strategy and Development, Conference Board of Canada

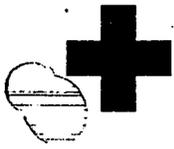
1993 – 1994	Member, Alberta Workforce Adjustment Steering Committee Member, Development Committee, Alberta Hospital Association
1992 – 1993	Member, Advisory Committee Task Force on Health Care, Canadian Bar Association Chair, Alberta Hospital Equipment Funding Review Committee Board Member, Alberta Breast Cancer Foundation Member, Program Screening Committee, Edmonton Regional Health Facilities Planning Committee
1985- 1987	Member, Executive Committee, Canadian Evaluation Society-Alberta Region
1985 – 1987	Member, National Council, Canadian Evaluation Society Government of Alberta Representative, Universities Coordinating Council Committee on Nursing Education
1984 – 1986	Alberta Government Representative, Federal/Provincial Advisory Committee on Health Manpower
1980 - 1981	President, Health Services Administration Students' Association, University of Alberta

Command of the working languages of the Standing Commission (Specify the level)			
ENGLISH	<input checked="" type="checkbox"/> mother tongue	<input type="checkbox"/> fluent	<input type="checkbox"/> working knowledge
FRENCH	<input type="checkbox"/> mother tongue	<input type="checkbox"/> fluent	<input checked="" type="checkbox"/> working knowledge
SPANISH	<input type="checkbox"/> mother tongue	<input type="checkbox"/> fluent	<input type="checkbox"/> working knowledge

Formal education (academic, professional or social diploma(s) and distinctions)	
DATES: (Start with the most recent)	
1984	Master of Health Services Administration (MHSA) University of Alberta (Thesis: Effectiveness of a Voluntary Blood Program)
1971	Bachelor of Science in Nursing (BScN) University of Windsor

1969	Graduate Nurse Toronto East General Hospital
1966	Secondary School Graduation Diploma Branksome Hall School (Toronto)
HONOURS AND AWARDS	
2002	Queen's Golden Jubilee Medal, Government of Canada
1999	Who's Who of Canadian Women, Chatelaine Magazine Order of the Red Cross, Canadian Red Cross Society Who's Who in Healthcare in Canada Award, Canadian Healthcare Manager Magazine Who's Who in Canadian High Tech, Silicon Valley North
1998	Canadian Who's Who (1998 onwards) Women of Distinction Award (Business and Management), Edmonton YWCA
1995	Special Citation and Distinguished Service Award, Canadian Red Cross
1992	125 th Anniversary Medal, Government of Canada
1985 & 1993	Special Citation, United Way of Edmonton
1970	Scholarship for Post Basic Studies in Nursing Education, Toronto East General Hospital

I confirm the accuracy of the information provided above:



Canadian Red Cross
Croix-Rouge canadienne

MAR 17 2003

March 10, 2003

Mr. David T. McLaughlin
Chairman
American Red Cross
431 18th Street N.W., 2nd Floor
20006 Washington D.C

Dear Mr. McLaughlin,

With the XVII Inter-American Red Cross Conference just around the corner and the opportunity for us to gather together in Chile fast approaching, I wanted to write you to personally inform you of a decision that I have made.

Over the last several months, a number of colleagues and associates within the Red Cross and Red Crescent Movement have encouraged me to consider allowing my name to stand for election to the Standing Commission. While this idea had not occurred to me, especially after my election as Vice President of the Federation in 2001, I began to reflect more on how I could contribute leadership and knowledge from my experiences in a national society level and in a senior governance position at the International Federation to the benefit of the Movement at large through the Standing Commission.

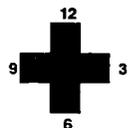
With the full support of the Canadian Red Cross, I therefore have decided submit my candidacy to the Standing Commission and will be formally announcing my aspiration at the time of the Inter-American Conference.

Since I have worked closely with you in various capacities, I wanted you to receive this news in advance of the conference and in a more personal way. I am looking forward to seeing you in Chile at the end of April and hope that we will have an opportunity for one-on-one conversation about your expectations of the Standing Commission and what role you feel I might be able to play in this regard.

Yours sincerely,

Janet Davidson
Vice President (Americas)
International Federation

SFC-ARC-A002231





National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

January 13, 2003

William W. George
Former Chairman and CEO
Medtronic, Inc.
4900 IDS Center
80 South 8th Street
Minneapolis, MN 55402

Dear Bill,

Looking ahead to the time when you will have fulfilled your commitment in Switzerland, we are anxious to have you resume your active role as a Governor of the American Red Cross. A great deal has transpired since you took a "leave of absence" from the Board, not the least being the selection of a new President, Marty Evans.

We have also added some new Governors to the Board and enclosed is a list of those individuals and their CV's. They bring some valuable skill sets to the Board and we are now focusing on adding more corporate leaders and increased minority representation on the Board.

Whenever you are back in the States and have a little time, I would like to have you meet Marty and would be anxious to spend some time with you.

Regards,

A handwritten signature in black ink, appearing to read "D. McLaughlin".

David T. McLaughlin

Enclosures

cc: Marty Evans

Together, we can save a life

SFC-ARC-A002232

List of New Board Members:

Gina Adams
Corporate Vice President
Office of Government Affairs
FedEx
Washington, D.C.

Nita J. Clyde, Ph.D., CPA
Partner, Clyde Associates
Dallas, TX

Gregory A. Kozmetsky
President and CEO
KMS Ventures, Inc.
Austin, Texas

William (Bill) Lucy
International Secretary-Treasury
American Federation of State,
County and Municipal Employees
(AFSCME), AFL-CIO
Washington, D.C.

FedEx Corporation

GINA F. ADAMS

Gina F. Adams has been the Corporate Vice President for FedEx's Office of Government Affairs since February 2001. Prior to that time, she served in other positions of increasing responsibility, including Staff Vice President and Staff Director of FedEx's Office of International Government Affairs and Managing Attorney of Federal Express Corporation's Office of International Regulatory Affairs. She joined Federal Express Corporation in August 1992 after nine years as an Attorney-Advisor in the General Counsel's Office at the U.S. Department of Transportation (DOT).

While at DOT, she was selected as a Department of Transportation Fellow in 1991-1992 and later served on the Advisory Committee for the DOT Fellows Program. Mrs. Adams serves as a Principal on the Council for Excellence in Government, sits as a Board member of the Asia Society in Washington, D.C.; the National Museum of Women in the Arts; the Decatur House; is a member of the Board of Associates of the National Rehabilitation Hospital; and is a member of the Board of Governors of the Ford's Theatre. Mrs. Adams has also served on the Governing Committee of the American Bar Association's Forum on Air and Space Law and has taught at The George Washington University. In May 1993, President Clinton appointed Ms. Adams to the bipartisan National Commission to Ensure a Strong Competitive Airline Industry.

Ms. Adams is a graduate of American University and holds a J. D. from Howard University School of Law and an L.L.M. in International and Comparative Law from Georgetown University Law Center. She is licensed to practice law in the District of Columbia, and is admitted to practice in the local and federal courts of this jurisdiction and the United States Supreme Court.

She is married to Attorney Eugene A. Adams and has a son, Spenser.

SFC-ARC-A002234

Subj: Blo for Red Cross 11-6-02
Date: 11/5/02 3:31:06 PM US Mountain Standard Time
From: njclyde@clydeassociates.com
To: forbeska@aol.com
File: Image001.zip (3137 bytes) DL Time (TCP/IP): < 1 minute
 Sent from the Internet (Details)

Nita J. Clyde, Ph.D., CPA
Partner, Clyde Associates
Dallas, Texas

Author and presenter of ethics course for CPAs. Two decades experience as a professor of financial and not-for-profit accounting and reporting and as a frequent speaker at conferences and seminars throughout the United States. Chairman-elect, Texas Society of Certified Public Accountants. Former member, Texas State Board of Public Accountancy (TSBPA). Former member, Board of Directors, American Institute of Certified Public Accountants (AICPA).

PROFESSIONAL EXPERIENCE

Current

Partner, Clyde Associates, a CPA executive consulting firm organized in 1994

Academic-Administrative

Lecturer in Accounting, The University of Texas at Dallas, 1994-95

Director, Center for Professional and Executive Development
The University of Texas at Arlington, 1991-1994

Faculty, College of Business Administration, Department of Accounting, The University of Texas at Arlington, 1984-94

Chairman, Department of Accounting, East Texas State University, 1981-84
Faculty, Department of Accounting, East Texas State University, 1978-81

Consulting

Various law firms, public accounting firms, governmental and not-for profit entities and corporate clients, 1978 to present

Course author and presenter, *Ethics and Texas CPAs: Doing the Right Thing*

Keynote speaker for annual meetings and conferences of variety of professional and not-for-profit organizations

Technical Editor, TODAY'S CPA (publication of the Texas Society of CPAs), 1990-1993;
author of bi-monthly column, *About Accounting*

Other

Newspaper reporter, columnist, feature writer and lifestyle editor for several Texas newspapers, 1964-66, 1968-71

SELECTED RECENT PROFESSIONAL ACTIVITIES

American Institute of Certified Public Accountants (AICPA)

Member, National Accreditation Commission, 2000 to present

Chair, Task Force on Code of Conduct for Repositioned Profession 2000-01 Chair, Special Committee on CPE Standards, 1997-02

SFC-ARC-A002235

Tuesday, November 05, 2002 America Online: Forbeska

Member, Board of Directors, 1997-2000
Member, Governing Council, 1992 to present
President, Accounting Research Association, 1998-2000
Member, Strategic Planning Committee, 1996-99

Texas Society of Certified Public Accountants (TSCPA) (selected activities only)
Chairman-elect (term as chair begins June 2002)
Executive Committee of the Board of Directors, 2002, 1989-1993
Technical Editor, *TODAY'S CPA*, bi-monthly publication,
Treasurer, 1990-91

Texas State Board of Public Accountancy, 1993-96
Chair, Technical Standards Review Committee, 1994-96; member 1993-94 Member, Rules
Committee, 1995-96
Treasurer, 1995-96
Member, Executive Committee 1995-96
Chair, Regulatory Compliance Committee, 1995-96
Chair, Licensing Committee, 1993-94, member, 1994-95

National Association of State Boards of Accountancy
Member, Ethics Committee, 1999-2000
Chair, Strategic Initiatives Committee, 1998-1999; member 1997-98
Chair, CPE Advisory Committee, 1995-1997

RECENT HONORS AND AWARDS

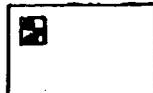
Named to *Accounting Today's* "Top 100 Most Influential People in Accounting" five times since 1996

AICPA Special Service Award, 2000

Recipient of 1999 AICPA Literary Award as author of best article in *Journal of Accountancy*.
("CPE is Broke: Let's Fix It", appeared December, 1998)

EDUCATION

BBA in Accounting, Texas A&M University-Commerce, 1975
MBA, East Texas State University, 1976.
Ph.D., The University of Texas at Arlington, 1980



CLYDE ASSOCIATES

12400 Degas Lane
75230
972/387-8266
njclyde@clydeassociates.com

Dallas, Texas



AFSCME FACTS

WILLIAM LUCY

William (Bill) Lucy was elected International Secretary-Treasurer — the second-highest ranking officer — of the 1.3 million-member American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO, in May 1972. Lucy has been re-elected every four years, most recently in 2000.

In addition to his position at AFSCME, Lucy is an important leader of the AFL-CIO. In October 1995, Lucy was named a member of the AFL-CIO Executive Council and is vice president of the Maritime Trades Department and Department for Professional Employees.

International affairs are of special interest to Lucy. In November 1994, Lucy became the president of Public Services International, the world's largest union federation. He also serves on the boards of directors for the Africa America Institute, Americans for Democratic Action and the Center for Policy Alternatives.

He is a founder and the president of the Coalition of Black Trade Unionists (CBTU), an organization of union leaders and rank-and-file members dedicated to the unique needs of African Americans and minority group workers.

A native of Memphis, he attended the University of California at Berkeley. A civil engineer by trade, Lucy was an assistant materials and research engineer for Contra Costa County, California. In 1965, he became President of AFSCME Local 1675, Contra Costa County Employees. Lucy joined the AFSCME International staff in 1966 as the Associate Director of the Legislation and Community Affairs Departments before serving as Executive Assistant to AFSCME's late president, Jerry Wurf.

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SFC-ARC-A002237

GREGORY A. KOZMETSKY

P.O. Box 1787 ♦ Austin, Texas 78767 ♦ 512-474-6312

EMPLOYMENT

1977-present President and CEO, KMS Ventures, Inc., Austin, Texas
1974-1976 Vice President, Federated Development Company, Houston, Texas
1973 Trust Officer, Laredo National Bank
1969-1972 Attended St Edwards University and University of Texas at Austin
1965-1969 Chief Warrant Officer and Helicopter Pilot, U.S. Army
Served in South Vietnam – 1967

CURRENT BOARDS AND ACTIVITIES

Board of Trustees, RGK Foundation
RGK Foundation, VP/Secretary 1977-1991, President 1991-present
Board of Visitors, M.D. Anderson Hospital
Board of Directors, Austin Children's Museum (Chairman 2001)
Board of Trustees, Safe Place Foundation (Chairman 1997-99)
Board of Trustees, St. Edward's University, Austin, Texas (Chairman, 1984-86 and 1994-96)
Board of Directors, Women's Museum
Board of Directors, Keraplast, Inc.
Board of Directors, Safe Place Corporation
Board of Directors, Hyperformix, Inc.
Board of Directors, Conference of Southwest Foundations
Advisory Board, Triton Venture Partners
Community Representative to the Audit/Finance Committee, Seton Healthcare Network

PREVIOUS BOARDS AND ACTIVITIES (SELECTED)

Board of Directors, Greater Austin Chamber of Commerce
Board of Directors, Leadership Austin
Board of Directors, Hospice Austin
Board of Directors, Challenge Air
Board of Directors, Arrowsmith Technologies, Inc.
Board of Trustees, Maxxus, Inc.
Board of Directors, Republic Bank Austin
Board of Directors, Pertron Controls Corporation
Board of Directors, Scientific Measurement Corporation
Board of Directors, Map Info Corporation
Board of Directors, Texas Lyceum Association
Member, Planning Council of the Board of Trustees of Seton Medical Center
Board of Governor's Austin Community Foundation
Board of Directors, Texas Partnership of Economic Development Board
Created by House Bill 2136, 72nd Legislature to develop a plan for advancement of science, technology, and industry in the State of Texas
Advisory Director, Central Texas Heart Institute
Advisory Director, Graber, Simmons, & Cowan
Participant, Leadership Austin Class of 1979-80, sponsored by Austin Chamber of Commerce

EDUCATION

BBA, Management, The University of Texas at Austin, December 1972

PERSONAL

Married to Cindy Kozmetsky (since 1968).
Children: Aaron (married to Tracey, Grandchildren: Jack, Will, Claire); Daniel and Sarah

SFC-ARC-A002238

08/13/02

Henderson, Barbara

From: David T. McLaughlin [mclaughlin@tds.net]
Sent: Friday, January 17, 2003 12:27 PM
To: Marty Evans
Cc: Barbara Henderson; Gerald Jones; Carol Ann
Subject: FW: Polish Red Cross

Marty, The enclosed came to me from Barbara Gould, a prominent Chicago civic leader who Carol Ann met and who has been involved with the Red Cross on the international front. I would recommend that we support her effort here and commit the ten thousand dollars with the expectation that the assessment will give guidance to a larger effort that will not necessarily involve ARC additional funding but will benefit our international program. Thanks -- and please let me know how this comes out. Dave

-----Original Message-----

From: Gould, Barbara [mailto:GouldBa@usa.redcross.org]
Sent: Wednesday, January 15, 2003 1:58 PM
To: 'McLaughlin@TDS.net'
Cc: Haake, Carol Ann; 'klein@arc-cmc.org'
Subject: Polish Red Cross

January 15, 2003

David,

Carol Ann gave me the okay to write directly to you.

In April, 2001 I was in Warsaw as a member of a 3 person delegation from the ARC, myself, Jef Eyring a member of the Baltimore board with a business in Warsaw and Randy Ackley now at NHQ who was then a delegate posted in Bulgaria. For several days we met with the board of the Polish Red Cross (PRC) and members of the Federation discussing the needs of the PRC. My initiation and graduate course in writing a business plan!

An area of great concern is their tracing system. They are the repository of over 7 million individual records that are not properly stored or easily accessible. Since that time, a committee consisting of Jef, members of the Advisory Committee of the Holocaust Center in Baltimore of which I am a member and others from the ARC family have been trying to help.

It has been determined after extensive discussion with the PRC that a needs assessment of the tracing department must be done before we can help them take steps to preserve and utilize the documents in their possession. We have been told this assessment would cost approximately \$10,000. Can we count on the ARC for this money?

We are proposing going to the PRC with the following

1. We have money for the needs assessment if it is done by a company mutually agreed upon by the PRC and ARC.
2. When it is finished we will help secure funding to implement the plan.

A member of our committee is well connected in the Polish community in Chicago and nationally and believes he can mount a campaign for the second part of the project.

Can you help with the funding for the needs assessment?

I look forward to hearing from you.

SFC-ARC-A002239

1/17/2003



National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

April 7, 2003

Mr. Yochanan Gur
Chairman, Executive Committee
Magen David Adom
60 Yig'al allon St.
67062 Tel Aviv
Israel

Dear Yochanan,

I appreciate receiving your letter of 2 April 2003 – it was good to hear from you. It is now almost five months since the November 18 signing of our MOU in Tel Aviv, an event that I remember fondly. It is certainly unfortunate that neither of us has had the time to meet since then. I am looking forward to meeting with Avi at our National Convention in Indianapolis in May and would be delighted if you could attend as well.

While current events have no doubt preoccupied us both, I certainly agree that we must make every effort to realize the full potential of our MOU. Despite this disruption, I am pleased that, following the holiday season here, both Malik Jaffer and Pancho De La Roche of our International Services unit were able to visit Israel in January, and that Dr. Peter Page and Dr. Shinar were in contact to arrange the transfer of the blood freezing equipment to Israel for MDA use. I understand that for obvious reasons it was not possible for your two MDA staffers to join our Disaster Services staff last month in Reno for the National Medical Disaster Conference but hopefully a similar opportunity will arise soon and the timing will be favorable for such an exchange.

It is good to learn that MDA's relationships with both the International Committee of the Red Cross and the International Federation are proceeding in a positive way. The American Red Cross continues to support the salary and program costs of the Federation delegate in Tel Aviv and I hear positive things about the contribution of both the past and present Federation representatives. I was delighted to learn ICRC is making a more substantial allocation of funds this year to assist MDA service delivery.

Mr. Yochanan Gur
April 7, 2003
Page 2

Over the course of this year, I am hopeful that we will make progress in furthering collaboration in the service areas outlined in our MOU. Of course, ongoing tensions in the region may inhibit travel at this time but hopefully that constraint will relax soon. I value our unique relationship and look forward to continued cooperation.

Regards,



David McLaughlin

bcc: Marty Evans
Gerry Jones

SFC-ARC-A002241



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

March 13, 2003

Mr. Jerry Jared
Chairman
Board of Directors
Community Blood Center for the Ozarks
2230 S. Glenstone
Springfield, MO 65804

Dear Jerry,

I wanted to acknowledge your letter of 6 March 2003 – it was good to hear from you again. I recall well my visit to Springfield last summer and your gracious hospitality when I expressed to Carol Ann my desire to meet with Don to understand the relationship between the Community Blood Center of the Ozarks and our own Blood Services region. It was very educational and I appreciated your hospitality in giving me a tour of your facilities.

You will undoubtedly remember that our discussion focused on whether by combining our collection efforts we could get some synergy out of a joint program. Obviously, this would be a management decision for as a Governor of the American Red Cross, I have to respect the role of the management versus the role of the Governors. On my return, I did suggest to our management that they look at the possibility to see if the regions available blood supply would be enhanced by such a collaborative effort. The conclusion that they reached was that this would not be the outcome and there was also expressed some concerns that this type of cooperative program could be construed as collusive from a legal standpoint.

I apologize that this outcome was not conveyed to Don and you. It certainly was not based on arrogance or total self interest. The American Red Cross is motivated by serving the public's interest, just as you are, and to infer otherwise does no one any credit.

I have suggested to Ramesh Thadani, our CEO and Executive Vice President, that if he determines that the public's interests are better served by a cooperative blood collecting effort – and if it is determined to be acceptable from a legal competitive standpoint, that he call Don Thomson to review how this might take place. Unfortunately, I am not optimistic based on my review of the facts, but one can always hope for a more constructive outcome.

Together, we can save a life

SFC-ARC-A002242

Mr. Jerry Jared
March 13, 2003
Page 2

I hope that this finds you and your associates well. You live in a wonderful community and you have certainly given great leadership to our joint commitment to help those in need.

Warm regards,

A handwritten signature in black ink, appearing to read 'D. McLaughlin', written in a cursive style.

David T. McLaughlin

SFC-ARC-A002243

Memorandum

To: Marty Evans
From: David McLaughlin
Date: February 1, 2003
Re: Volunteer Structure

Marty,

I would appreciate your identifying a small team to meet with a team of the Avon people in New York to access their systems and programs to recruit, train, and reward the thousand of women and some men that they have selling their products across the country. It would be helpful to have a list that they could have of questions or a list of needs that we have before we meet so that they can prepare themselves to be responsive. A description of our volunteer structure and character as it exists today would also be helpful.

Many thanks

cc: Ann Sherwood
Mary DeKuyper



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

February 1, 2003

Ms. Andrea Jung
Chairman and Chief Executive Officer
AVON Products, Inc.
1345 Avenue of the Americas
New York, NY 10105

Dear Andrea,

I enjoyed visiting with you in New York. I know that you had all of your international managers in for meetings so I appreciated the time that we had all the more.

I would like to follow up with your office regarding our volunteer program at the American Red Cross. As I indicated, we are in the process of re-examining all aspects of this program now – recruitment, training, personal fulfillment, rewards, information systems, etc. It is the core of our delivery system but has been a neglected asset for too long. I will be back in touch with you in the near term.

Will look forward to seeing you in Florida.

Regards,

David T. McLaughlin

bcc: Marty Evans
Ann Sherwood
Mary DeKuyper

Together, we can save a life

SFC-ARC-A002245



National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

February 19, 2003

Mr. Mel Karmazin
President and COO
Viacom
1515 Broadway
New York, NY 10019

Dear Mel,

The American Red Cross is launching a program "Together We Prepare America" to prepare for disasters emanating from natural or man made events. This is an important national priority and we are working in conjunction with the Department of Homeland Security to give this initiative maximum impact.

Marty Evans and I were discussing this the other day and I suggested that we should approach Viacom to see if we could obtain support in giving this effort maximum impact. Marty has followed up with the enclosed memo.

If you were agreeable to pursuing any of these possibilities, Marty will assign someone from her senior staff to work with a counterpart at Viacom to see what might be undertaken to our mutual benefit.

I appreciate your consideration and look forward to seeing you again soon.

Regards,

A handwritten signature in black ink, appearing to read "D. McLaughlin".

David T. McLaughlin

Enclosure

cc: Marty Evans
bcc: Linda Nichols



**American
Red Cross**

National Headquarters
Office of the President and CEO

Together, we can save a life

To: David T. McLaughlin, Chairman Date: February 12, 2003
From: Marty Evans  Subject: Support for *Together We Prepare*
Initiative

The excitement surrounding the *Together We Prepare* initiative has been encouraging. Thank you for your offer to take some ideas to Viacom properties. Communication and Marketing Department staff, along with our advertising firm, feel, and I concur, the following ideas would be great extensions for Viacom to consider:

Public Service Advertisements

- Secure TV (CBS, Showtime, BET, VH1, MTV and CMT), radio (Infinity Radio) and print placement (Viacom Outdoor) on all interested Viacom properties. Since our budget will allow only paid print pieces, securing public service time on networks and through Viacom Outdoor would allow maximum exposure.

Country Music Television (CMT) Concert

- Approach CMT to help host a country music concert. Ticket sales would raise money to support preparedness efforts. The American Red Cross could possibly secure talent through our Celebrity Cabinet.
- Air the concert on CMT (with Red Cross PSAs).
- Distribute preparedness information at the concert, co-branded with Viacom or CMT.
- Web cast the concert on cmt.com and redcross.org.

Web Banners

- Secure hyperlink placement on Viacom properties Web sites.
- Banners would be designed with the five *Together We Prepare* modules; the link would send Web users to redcross.org.

Blockbuster Brand Extension

- Work primarily with Blockbuster to secure placement of informational in-pack brochures in relevant VHS/DVDs (such as "Get Trained/Volunteer" information in "Twister").
- Secure placement of pledge forms inside VHS/DVDs. For example, the pledge could read, "If you were in this situation, how would you prepare? Together we prepare for disasters."
- Secure placement of trailer PSA in relevant VHS/DVDs.
- Secure Red Cross logo on freestanding movie advertisements on relevant films.

Viacom support would help tremendously in sharing the word about preparedness and safety information. I look forward to learning if some of these ideas resonate with your Viacom colleagues.

SFC-ARC-A002247



National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

April 3, 2003

C. Everett Koop, M.D., Sc.D.
Senior Scholar
The C. Everett Koop Institute at Dartmouth
Hanover, NH 03755-3862

Dear Chick,

With reference to our earlier correspondence concerning the development of a potential substitute for red blood cells, I received the following response from Ramesh Thadani, the CEO of our Biomedical Services Business:

The management of Biomedical believes that oxygen therapeutics have an important role to play in a strategic blood reserve. The advantages of these products are well known and include: no need for traditional compatibility testing and more flexible storage conditions. These considerations alone suggest the importance of these products in the care of trauma victims and other selected patients. While there have already been meetings with senior Biomedical leadership, we remain interested and available for further interaction with representatives from Biopure and anxiously look forward to discussions that can help our organization identify the specific role for this product.

I have listed the coordinates for Ramesh below and I suggest that you or your colleagues might give him a call to arrange a visit.

Regards,

A handwritten signature in black ink, appearing to read "D. McLaughlin".

David T. McLaughlin

cc: Ramesh Thadani
Executive Vice President and CEO
Biomedical Services
(703) 807-5351
bcc: Marty Evans

Together, we can save a life

SFC-ARC-A002248

F/U

HRC F
Koop, C Everett



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

March 7, 2003

C. Everett Koop, M.D., Sc. D.
Senior Scholar
The C. Everett Koop Institute at Dartmouth
Hanover, NH 03755-3862

Dear "Chick,"

I wanted to acknowledge, with appreciation, your good letter of 26 February 2003. It was wonderful seeing you again - it has been too long!

I have shared a copy of your letter with Marty Evans, the President of the Red Cross, and with Ramesh Thadani, the Executive Vice President and CEO of our Biomedical Services operations. As soon as I hear from them, I will respond more definitely to your suggestion - which has great appeal!

If we were to arrange a meeting in Cambridge, I would want some of the appropriate Red Cross individuals to be there, as I am out of my league in this area.

Many thanks - I will get back to you.

Regards,

David T. McLaughlin

DTM: ln

Cc: M. Evans w/enclosure
R. Thadani w/enclosure

Together, we can save a life

SFC-ARC-A002249

Koop Institute
at DARTMOUTH

C. Everett Koop, M.D., Sc.D.
Senior Scholar

February 26, 2003

Dr. David T. McLaughlin
46 Newport Road, Suite 205
New London, NH 03257

Dear David:

It was such a pleasure to meet you on the Baltimore – Manchester “cattle car” last week. Since our conversation, I have been thinking about your responsibilities as Chairman of the American Red Cross and my longstanding interest in the development of a potential substitute for red blood cells.

As you may know, I spent my time during World War II working for the government’s Office of Scientific Research and Development, under the aegis of the National Research Council developing a substitute for plasma from gelatin made from bone. It worked and was used for battle casualties in China. I never lost my interest and went from plasma substitutes, to I.V. protein nutrition, to total parenteral nutrition, to “blood substitutes”.

After completing my second four-year term as Surgeon General, my continuing interest in this field led me to join the board of a small biotech firm called Biopure, which has been developing a purified bovine hemoglobin product. This product is rather remarkable because it transfers oxygen around the body more efficiently than transfused red blood cells. It requires no typing or cross-matching and stores at a wide range of temperatures safely for three years or more. Clinical trials in over 800 patients have shown the ability for it to safely be substituted for red blood cells in a variety of surgical settings. Trauma studies are being funded by the U.S. military and will be underway in the next 3 – 4 months.

Several years ago when Liddy Dole was chair of the ARC, I arranged a meeting of ARC brass and scientists, and Biopure investigators. As I said at the time, “For a heads up on what we are doing; if I were in the position of the ARC I’d like someone in my position as chair of the scientific advisory committee to Biopure to do just that.”

David, I’m sending this to New London because I got the definite feeling at the aforementioned meeting that Biopure was misunderstood; we were there as colleagues not competitors.

Leaving that meeting I mentioned that with FDA requirements for blood banks were becoming more stringent, more and more blood banks would be shutting down and eventually the ARC would see huge rise in costs as they were more and more responsible for the size and safety of the supply of blood for transfusion. Wouldn't this be the time, I said, to look forward to the time the ARC and Biopure could work together on a number of fronts. This was an olive branch, which I think was seen as a threat.

Frankly, and understandably, the ARC don't seem to know exactly what they want to do about the emergence of a product that could be an effective substitute for red blood cells in at least certain surgical situations and possibly in trauma / disaster relief, as well. A more recent meeting just a couple of weeks ago suggests there is still no ARC point of view on this product.

The U.S. BLA (Biological License Application) was submitted in July 2002 and accepted for review by FDA in October 2002. The veterinary form of our product oxyglobin has already been approved by FDA in the United States and by EMEA for Europe. Our ARC product for human consumption (Hemopure) has been approved in South Africa.

While there may be some commercial relationship that would benefit the American Red Cross and Biopure, that is not what I'm worried about. My people tell me this product will likely be approved by FDA in the next 90 - 120 days. My concern is that the American Red Cross had better have an answer for the media and policy makers in general concerning their position on this product when that approval comes through. I don't think it would look good for the ARC to be "caught by surprise" by a product approval that would have such relevance to disaster relief, adequate blood supply and possible blood safety issues. I especially don't want you, David, to be blindsided.

Is there a possibility we could talk about this so you can acquaint yourself with this issue directly? Please let me know. There are many ways we could do this - perhaps the best is for you and me to go to Cambridge where you can see the whole show for yourself. I'll be out of the country from March 8th to March 25th.

Sincerely yours,



C. Everett Koop, M.D., Sc.D.

amb



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

March 5, 2003

Ms. Allene Lynn
875 Via Cabana 1B
Boca Raton, FL 33432

Dear Ms. Lynn:

I wanted to acknowledge your letter of 20 February 2003 concerning your Medicare supplemental insurance policy and your term life insurance policy.

I have asked the appropriate staff at National Headquarters to review this situation and will follow-up on this with them to assure that you received a prompt response.

I regret the inconvenience that this has caused you.

Regards,

A handwritten signature in black ink, appearing to read "David T. McLaughlin".

David T. McLaughlin

cc: w/incoming
Marsha Evans
Stan Davis

Together, we can save a life

SFC-ARC-A002253

MAR 06 2003

Allene Lynn
875 Via Cabana 1B
Boca Raton, FL 33432
561-393-6921

February 27, 2003

Mr. David T. McLaughlin
Chairman
American Red Cross
430 17th Street, N.W.
Washington, DC 20006

WTR

Dear Mr. McLaughlin:

As the Chairman of The American Red Cross, there is a situation I feel you need to be aware of.

My name is Allene Lynn and I am one of only two retirees from the Broward County Florida, American Red Cross Chapter. I have been receiving pension and insurance benefits since my retirement on 11/1/1990. These benefits are administratively provided by the National Red Cross Organization and are paid for primarily by my contributions with a small contribution by the local chapter. On February 1st, 2003, with no advance warning, my Medicare supplemental insurance policy (administered by Aetna Insurance) and a small term life insurance policy were terminated without my knowledge or consent. This is a clear violation of ERISA Section 104, which requires a 60-day notification period prior to any termination of benefits.

I now have no Medicare supplemental insurance including no coverage for my prescription drugs. I am facing the prospect of medical bills (my 20% not covered by Medicare) of over \$7,000/year as well as a prescription drug bill, the insured portion of which totaled over \$6,800 in 2002. This represents an annual cash outlay for me of more than \$13,800/year, all of which had been covered by my Medicare Supplemental policy since 1990.

What follows is a chronology of events leading up to the desperate situation where I currently find myself.

- **November 19, 2002** - Received a call from Max Brown-Webster at Broward County chapter asking me about my current insurance benefits and future needs – she mentioned that the Broward chapter was evaluating potential cost saving opportunities for their full time employees.
- **November 21, 2002** – I visited Max and Bill Epps (Chapter Manager) in the Fort Lauderdale office. They determine that I am currently enrolled on the National Chapter's group policy for my Aetna Medicare supplemental policy and that since I am a retiree and not a full time employee, nothing should change if they switch

SFC-ARC-A002254

insurance carriers for their full time employees. Mr. Epps based this opinion on the fact that they had previously switch insurance carriers for their full time employees during the mid 1990's and my Medicare supplemental policy was not impacted.

- **February 1, 2003** – I receive my monthly pension statement and notice that no deductions have been made for the Aetna Medicare Supplemental Policy. After a call to Aetna Insurance I am notified that my group Medicare supplement insurance has been terminated. I arrange an appointment to visit the Broward Chapter to find out what happened.
- **February 4, 2003** – I visit the Broward County chapter and talk to Esther Zipper. She informs me that the local chapter has switched to Neighborhood Health Partnership (an HMO) for their full time employees. However, Neighborhood Health Partnership has no Medicare Supplemental policy for retirees. The local chapter agreed to help me contact the National Chapter to see if I can simply be "re-attached" to their Aetna Medicare Group Policy. After many phone calls to the National Organization they made no progress.
- **February 5-26, 2003** – After several calls to the National Chapter, National tells the local chapter its Broward County's problem and washes their hands of the entire situation. Esther Zipper contacted me with a situation update and then suggested I look for alternatives on my own. *What the local chapter does not seem to understand is that is impossible for an individual to obtain equivalent coverage to what I had with Aetna without being a member of a large group.* The best individual coverage I can find is approximately \$500/month (vs. the \$200/month I am currently paying) and their prescription drug program will only cover up to \$3,000 annually leaving me with another \$4,300/year to cover out of my own pocket as well as an additional \$3,600/year in insurance premiums that will not be covered by the local chapter.
- **Current Status** – The National Chapter insists it is a local problem, the local chapter Manager Bill Epps and the HR representative Esther Zipper refuse to return my phone calls – hiding behind their voice mail and secretaries, I am stuck in the middle with no insurance.

What I am asking for is not a costly solution. Simply allow me to re-enroll in the Aetna Medicare supplemental group program (that I was enrolled in for 13 years) that the National Chapter already provides for their retirees and for retirees of other Local chapters.

This solution is not without precedent. A similar situation occurred in the Miami Chapter when they also switched to Neighborhood Health Partnership. Their retirees were allowed to continue with their Aetna Medicare Supplement policies and they have full Aetna coverage to this day.

I spent 15 years as a valued employee of the Broward Count Chapter of the Red Cross. During my tenure I developed regional Red Cross Service Centers, created special events that raised significant amounts of money, even managed the Broward Chapter on an interim basis. As an American Red Cross Corporate Officer, I am asking you to press for an equitable solution to this situation.

I would be delighted to discuss this situation in further detail and you can reach me at 561-393-6921. I look forward to your response.

Sincerely,



Allene R Lynn



National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

February 24, 2003

The Honorable George J. Mitchell
Piper Rudnick
901 15th Street, N.W.
Washington, DC 20005-2301

Dear Senator,

I wanted to acknowledge your good letter of 14 February 2003. I can recall when we met in your conference room and you agreed to take on the assignment as the independent Overseer of the Liberty Disaster Relief Fund. At that time, the Red Cross was under intense media scrutiny and your willingness to lend your public credibility to our cause made an enormous difference in our ability to re-establish public trust in our enterprise. We are deeply grateful to you and your associates for your loyal and unwavering support during those trying days.

You helped our management to shape the architecture of our response and your reaching out to those affected by the disaster as well as to the other agencies involved was a lesson for all of us in how we need to be more inclusive and open in situations of this kind -- which hopefully will not occur again.

I share Marty's hope that you will continue to stay involved with the American Red Cross and would look forward to working with you again should the occasion arise.

Warm regards,

A handwritten signature in black ink, appearing to read "D. McLaughlin".

David T. McLaughlin

cc: Marty Evans

 Piper Rudnick

901 - 15th Street, NW
Washington, DC 20005-2301
main 202.371.6000 fax 202.371.6279

SENATOR GEORGE J. MITCHELL
george.mitchell@piperrudnick.com
direct 6155 fax 6109

February 14, 2003

Marsha J. Evans, President
and Chief Executive Officer
David T. McLaughlin, Chairman
American Red Cross
National Headquarters
430 17th Street, N.W.
Washington, D.C. 20006

Dear Marty and David:

It has been a privilege to serve as Independent Overseer of the Liberty Disaster Relief Fund. When I began working with the Red Cross in December, 2001, it was with the understanding that the position would not be permanent. Today, since many of the key decisions have been made and most of the funds distributed, this is an appropriate time for me to conclude my activities as Independent Overseer, effective immediately.

I'm grateful to all those who made possible the adoption and implementation of the Liberty Fund Distribution Plan, in particular the dedicated employees and volunteers of the Red Cross who have done their jobs with professionalism and kindness. As you know, the Plan has been generally well received and will continue to serve as an important guide for the long-term recovery effort.

Marty, there will be many challenges to meet as the Red Cross continues to address the needs of those affected by the September 11 attacks. As I stated in my final report, I am confident that the organization will honor its commitment to fairly, compassionately and expeditiously provide relief to those who need it most, and to eliminate bureaucratic obstacles to accomplishing its laudable mission.

I am also confident that you are uniquely qualified to lead this great institution as it moves forward. It has been a pleasure to work with you and your leadership team, and I wish you the best of success.

With my gratitude and warm regards.


George J. Mitchell

SFC-ARC-A002258



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

February 25, 2003

Rabbi Jordan Ofseyer
Temple Isaiah
332 West Alejo
Palm Springs, CA 92262-5606

Dear Rabbi Ofseyer:

I understand that your congregation has been given some misinformation about the American Red Cross and its commitment to our Israeli counterpart, Magen David Adom (MDA). As the Chairman of the Board of Governors, I want to assure you personally that our organization at the highest levels continues to emphatically and publicly support MDA. We are strongly advocating that the Movement grant full recognition and membership to the Red Cross Society in Israel—the MDA.

Last November, representing the American Red Cross, I traveled to Tel Aviv to sign a historic Memorandum of Understanding (MOU) with MDA. This important agreement outlines the numerous and specific ways the two organizations will continue to collaborate in areas such as preparedness for incidents involving weapons of mass destruction, international tracing and family reunification, biomedical services and much more. The MOU also expresses continued support for MDA's membership in the International Red Cross and Red Crescent Movement.

This trip was very revealing as I learned first-hand not only how important MDA is to the people in Israel, but also how vital are the working relationships they have established with the Red Crescent Societies in the region. These ties transcend the bonds of political conflict and offer hope for a humanitarian future in a divided land.

Following the signing ceremony, we contacted the leadership of several organizations including the American Jewish Committee, Hadassah, American Israel Public Affairs Committee, the Conference of President's of Major Jewish Organizations and the Anti Defamation League. All of these groups were very enthusiastic about the strong support and partnership activities that the American Red Cross and MDA have forged.

Together, we can save a life

SFC-ARC-A002259

Rabbi Jordan Ofseyer
February 25, 2003
Page 2

In a statement hailing the American Red Cross agreement with MDA, American Jewish Committee Executive Director David Harris said "Today's agreement between the American Red Cross and Magen David Adom is a boost to existing cooperative efforts between these two outstanding humanitarian relief organizations."

Unfortunately, since its founding in 1930, MDA has been denied membership in the international bodies of the Red Cross, first because societies must be from a country that has signed the Geneva Conventions, and secondly because governments would not accept their emblem, the red shield of David, which is not explicitly allowed by the Geneva Conventions.

The American Red Cross Board of Governors has considered the admission of MDA into the Movement a policy priority for more than 25 years and has in protest withheld the past four years of annual dues payable to the International Federation of Red Cross and Red Crescent Societies. The amount withheld to date exceeds \$20 million—a strong signal of our commitment to including MDA in the Movement.

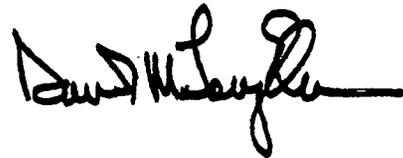
Our work, however, is not complete. The Red Cross will steadfastly promote MDA's membership at every opportunity. Last month, American Red Cross President and CEO Marsha J. Evans reaffirmed our position at meetings with leaders in Switzerland, reiterating our Board's policy to not pay dues until this injustice is reversed.

As our country continues to face uncertain times, our organization has much to learn from Israel's MDA, especially in preparing for the destructive effects of weapons of mass destruction. We look forward to sharing knowledge and developing best practices through this important partnership.

I would also like to mention that the Riverside County Chapter is very supportive of MDA. I know you met Pamela Anderson briefly, and she and the volunteers of your local chapter is there providing much needed services to your community.

Please feel free to call me directly if you would like additional information or if there is anything I can do.

Regards,



David McLaughlin

cc: Marsha Evans
Pamela Anderson
bcc: Deb Daley

SFC-ARC-A002260

BH



National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

March 31, 2003

Mr. Juan Manuel Suarez del Toro
President
Spanish Red Cross
28023 El Plantio
Madrid, SPAIN

Dear Juan Manuel,

As the conflict in Iraq intensifies, we have been coordinating our efforts with your colleagues and admire the strong leadership that you and your associates are providing to bring needed humanitarian services to those affected by the war. I did want to reaffirm our strong support of you and the Federation during this time of stress. It is always times such as this that the principles of the Movement are tested to the limits.

I have a meeting in Venice during the latter part of the week of 5 May 2003 and thought that I might visit Geneva for a few days earlier that week if you were going to be present there. I have asked Gerry Jones to help me coordinate this schedule to see if this might be a possibility.

Until then, I wish you all the best and if there is anything that I or the American Red Cross can do to be of greater assistance, please let me know.

Warm regards,

David T. McLaughlin

bcc: Marty Evans
Gerry Jones
Carol Ann Haake

Together, we can save a life

SFC-ARC-A002261



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

February 27, 2003

Mr. Juan Manuel Suarez del Toro
President
Spanish Red Cross
28023 El Plantio
Madrid, SPAIN

Dear Mr. President:

I wanted to acknowledge with appreciation your letter of 31 January 2003 which arrived in the States ten days ago. In your inaugural year you have brought strong focus to the direction of the International Federation and have provided wise and needed leadership in implementing a reorientation of the affairs of the Federation. You should be proud of what you have been able to accomplish and all of us at the American Red Cross congratulate you.

In any enterprise as complex as the Federation, change comes slowly, but you are surely headed in the right direction, and we are grateful to you. Marty Evans and I stand ready to assist you in any way that we can.

I also wanted to thank you for your expression of regret over the tragic fire that took so many lives in Rhode Island. The Red Cross has had to respond to innumerable tragedies over the past few months, but given the environment in which we live, I suspect that unfortunately, our services will be in greater demand in the coming years than ever before.

I am unsure at this time if I will be able to join you in Chile, but know that Marty Evans is planning to be there with one of our other Governors. If there is any possibility that I can accompany them I will certainly try to do so.

Regards,

David T. McLaughlin

bcc: Marty Evans
Carol Ann Haake
Gerry Jones

Together, we can save a life

SFC-ARC-A002262

Dear Chairman,

Dear David

One year ago I had the honour to be elected President of the International Federation of Red Cross and Red Crescent Societies. This is, I believe, a good time to summarize some of the important issues we have dealt with and those we will have to consider in the near future.

During this period the **Governing Board** has tried to make its work more useful and, in this conviction, we have done our utmost to come up with approaches consonant with our Federation's challenges. At its first meeting, the Board set the **orientations to follow** during its term of office: *Strengthening National Societies and the presence of the International Federation in the international sphere.*

The Board decided on these priorities because it felt there was a need in these areas.

- With regard to *strengthening National Societies*, the Secretariat prepared the document "the change strategy", based on Strategy 2010, in response to this orientation. We have regularly given you information on the main aspects over recent months.

I should like to highlight the major effort the Secretariat is making to develop and implement this strategy in order for us to have a **less operational but more facilitating Secretariat**. I should like to outline here some of its broad lines:

- The purpose and tasks of the **regional and country delegations are going to be redefined** so as to better serve and be closer to the needs of the National Societies.
- The **budget architecture has been modified**. The budget now comprises statutory contributions and a new formula called "core appeal", whereby the donor Societies have undertaken to make extraordinary contributions to cover the necessary basic budget. This furthermore implies a change to how the so-called "**Programme support recovery**" is funded, now **considerably reduced** from 11% to 6.5%. The aim of these changes is, basically, to lower the budget for expenditure at Geneva headquarters and to increase funding in the field.

SFC-ARC-A002263



17, chemin des Crêts, Petit-Saconnex - P.O. Box 372 - CH-1211 Geneva 19
Telephone +41 (22) 730 42 22 - Telex 412 133 FRC CH - Telefax +41 (22) 733 03 95
E-mail: president@ifrc.org - Web site: www.ifrc.org

Capacity Building Fund (CBF) to CHF 5 million. In this way it can help the greatest possible number of National Societies, with the objective of 80 by the end of 2004.

- In line with the Board's guidelines, the Secretariat is working very hard on the *international presence of the Federation* and our presence is increasingly being noted in international Fora. **We are making the Federation's work better known and our voice heard in all these Fora**, especially the United Nations and other multilateral agencies.

With regard to the work of the Board, this first year we have mainly focused on the issues of integrity, advocacy, communications and external relations, and resource mobilization (the Foundation for the Federation is beginning to be reactivated as a tool able to bring in additional funding), and some policies have been reviewed. This is ongoing work in which we are still involved.

In addition, this year we plan to lay down the lines of a vision for the future and **determine what Federation we want**. We will have an excellent opportunity to discuss this together at our next General Assembly.

In 2003 Strategy 2010 will have been in application for years and the General Assembly will have the possibility to ask the Governing Board to assess it and, if necessary, to propose to adapt it.

Cooperation with the ICRC and the Standing Commission is also being pursued, with special reference to advocacy and external communication as well as profile in the mass media, as in recent years. The culmination will be the holding of the International Conference in 2003.

This is, in short, some of what has been done in the past year and what is planned for this year. We are convinced that our work will bear fruit in the coming years and hope there will be some tangible results in the immediate future.

For these actions to have the desired success, apart from time **we need your ideas and contributions**. Both the Secretary General and I would like you to send us any suggestions and comments you feel appropriate. Rest assured that we will read them with **great interest and concern**.

Juan M. Suárez del Toro R.

Juan M. Suárez del Toro R.

I would be a pleasure to meet
You in Chile?

SFC-ARC-A002265



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

April 14, 2003

Thomas Tierney
Bain & Company
Two Copley Place
Boston, MA 02116
(617) 572-2627

Dear Tom,

In a meeting that I had with Marty Evans last week, I told her about Bridgespan Group and the new initiative you have undertaken to place mid-career to late-career executives in non-profit organizations. Marty was quite interested and I suggested to her that the two of you might get together either in Washington or in Boston.

Hope that all is well.

Regards

David T. McLaughlin

Cc: Marty Evans
President
American Red Cross
430 17th St., NW
Washington, DC 20006
202-639-3292

Together, we can save a life

SFC-ARC-A002266

Valenti la.



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

February 11, 2003

Mr. Jack Valenti
President and CEO
Motion Picture Association
1600 Eye Street, N.W.
Washington, D.C. 20006

Dear Jack,

I cannot begin to thank you enough for your generous hospitality. The Red Cross board dinner at The Motion Picture Association was a very special occasion and to have you and Mary Margaret as our host and hostess made our day!!

While I enjoyed reading your book *Speak Up With Confidence*, I could memorize it and not come close to the extraordinary remarks that you delivered that evening - clearly one of the most impressive performances that those in the audience had ever witnessed.

I look forward to staying in touch with you.

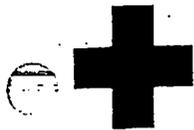
Regards,

David T. McLaughlin

bcc: Sherry Lansing
Marty Evans

Together, we can save a life

SFC-ARC-A002267



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

December 13, 2002

Mr. Jack Valenti
President and CEO
Motion Picture Association
1600 Eye Street, N.W.
Washington, D.C. 20006

Dear Jack,

It was good to see you at the Aspen Institute Board meeting and then again last weekend at the Kennedy Center. On behalf of the Board of Governors for the American Red Cross, I would like to invite you to speak at our Board of Governors Chairman's dinner on Friday, January 31, 2003. The dinner will be held at the Motion Picture Association here in Washington. There will be a reception starting at 7:00 pm, followed by a seated dinner (black tie optional).

I hope you can speak for fifteen minutes or so on a subject that you feel will be of interest to the Board of Governors. As I mentioned to you, Sherry Lansing is on our Board and she and I feel that institutions that exist based on public trust have a special responsibility and accountability in this environment. It would be a great topic if you would like to go there.

I look forward to hearing from you soon, and wish you a happy holiday season.

Regards,

A handwritten signature in black ink, appearing to read 'D. McLaughlin'.

David T. McLaughlin

cc: Marty Evans
Sherry Lansing

Together, we can save a life

SFC-ARC-A002268



**American
Red Cross**

National Headquarters
430 17th Street, N.W.
Washington, DC 20006

David T. McLaughlin
Chairman

March 24, 2003

David Yost
CEO
Amerisource Bergen Corporation
1300 Morris Drive, Suite 100
Chesterbrook, PA 19087-5559

Dear David,

I was delighted to have an opportunity to visit with you in Philadelphia and to compare notes on your industry. While my exposure had been through my association with Bob Walter, I have admired the leadership that you have provided to Amerisource Bergen. Your acquisition of Bergen was a great step forward.

Your extraordinary support of the Red Cross has been very important to our programs and I wanted to thank you personally for your commitment. Frank and I are also grateful for your indication of continued support for as we discussed, the philanthropic environment is difficult for everyone right now.

Warm regards and I look forward to staying in touch with you. I will follow-up on the RRR blood distribution. Correctly, they were advised last week by Jack that national is not ready with a recommended system so that they should continue to invest in their own.

Warm regards,

A handwritten signature in black ink, appearing to read "D. McLaughlin".

David T. McLaughlin

cc: Frank Donaghue
bcc: Marty Evans
Skip Seitz

Together, we can save a life

SFC-ARC-A002269

While the report has some important themes, several areas were lacking. For example, the report does not articulate how the national headquarters Development department compares with its peers in the area of non-episodic fundraising. While I know that it is difficult to find exact benchmarking partners, the report was devoid of any meaningful metrics or comparisons.

The report also did not provide many details behind the recommendations. Many of these are simple observations with no insight on how to move forward. For example, recommendation 103 to change the staff reporting structure only focused on rearranging reporting relationships and creating a new unit. Details behind the structure such as appropriate staffing levels, primary mission of the units and other important aspects were lacking. Another example is recommendation 36 that observes donor relations processes are cumbersome – the report only suggests to “keep the steps as streamlined as possible.”

Another concern focuses on the lack of data and lack of sources for data that was provided. Data sources were not provided for the few graphs or tables in the report. It appears that the basis for the preponderance of his findings are strictly interviews he conducted, rather than a rigorous analysis of our processes and results as outlined in his proposal. Mr. Panas presented a Resource Evaluation to Achieve Potential (REAP) process in his proposal, specifically stating:

“We conduct a complete inventory of the Red Cross’ fundraising work and assess every possible major factor of your work. But of greater importance, we determine what your full potential should be.”

“We identify where you are and indicate where you should be. And develop a strategy for how to get there. There is a concentrated focus on developing a strategy for increasing your philanthropic production year after year after year.”

“We review and evaluate forty-three specific areas. These cover virtually every detail and mechanic of your fundraising program.”

“In a careful analysis, I review how you can most effectively use staff time for optimum results. We determine what type of staffing is required for your annual fundraising and for the proposed growth. We provide you with a template for determining necessary and realistic individual staff objectives and show how to monitor status and progress.”

I believe the final report did not live up to these commitments.

We understand there is awareness of the study and great interest in its results at headquarters as well as among chapters. I recommend that the Task Force issue a communication to the organization that provides an overview of the report and outlines next steps. We would be happy to help prepare such a message if desired.

We are excited to build on the momentum the study has generated. We agree with Jerry’s observation that we have never had such good alignment of the key ingredients to achieve our full fundraising potential. We look forward to working with you and your colleagues as we embark on a reenergized fundraising effort for the entire American Red Cross.

SFC-ARC-A002271

From: Johnson, Virginia H.

Sent: Monday, November 28, 2005 10:28 AM

To: 'Bill J. Gagliano (bgagliano@ulmer.com)'; 'Edward A. Heidt Jr. (Buzz.Heidt@thepenrodcompany.com)'; 'Jon M. Huntsman (pam_bailey@huntsman.com)'; 'Ann Kaplan'; 'Bruce LaBoon R. (laboon@lockeliddell.com)'; 'Anna Maria Larsen'; 'Elaine M. Lyerly (elyerly@lyerly.com)'; 'Bonnie McElveen-Hunter (Bonnie.hunter@paceco.com)'; 'Glenn Sieber (glenn.a.sieber@accenture.com)'; Evans, Marsha; Joe Pereles (joe.pereles@druryinn.com); Elcano, Mary; Starr, Jim; 'curveddash@aol.com'; 'Melanie Sabelhaus'; Johnson, Virginia H.

Cc: 'Michele.rippes@thepenrodcompany.com'; 'Paula Goldberg'; 'Linda Hames (lhames@lockeliddell.com)'; 'janice.m.beebe@accenture.com'; Conlogue, Avele; 'Connie Talcott (connie.talcott@paceco.com)'; White, Yvonne; Better, Celeste E.; Rhodd, Michelle; 'ConleyH@usa.redcross.org.'; Rose, Daniel (Contractor); White, Simone

Subject: BOG Fundraising Task Force Follow-up

Message to the Board of Governors Task Force on Fundraising from Co-Chairs Elaine Lyerly and Bruce LaBoon:

This is a reminder that the BOG Task Force on Fundraising will meet on Monday, December 5, from 8:30 to 11:30 a.m.

We requested that our colleagues review the Panas Report and provide us with a list identifying items that they consider of particular significance. We received feedback from a number of Governors and are attaching a spreadsheet reflecting the input of our colleagues. Please come prepared to discuss your priorities as well. We are also attaching an Agenda for the meeting.

The meeting will take place in the Board of Governors Hall (2nd Floor) at the American Red Cross National Headquarters, 430 17th Street, NW in Washington.

We will serve continental breakfast in the morning and lunch at the conclusion of the meeting.

Reservations have been made at The Melrose Hotel. If you have not already done so, please contact the BOG Office for assistance with your travel arrangements and hotel reservations.

For those of you who will participate by telephone, conference call information is provided below:

Primary Dial-In: 1 (800) 264-7882

Alternate Dial-In: 1 (847) 413-3708

Please be prepared to provide the following information to gain access to your audio conference call.

Confirmation Number: 13230987

Host Name: Elaine Lyerly

Company: Red Cross Nat'l HQ & Bio Med

As a courtesy to others and to improve sound quality, please mute your phone when not speaking.

SFC-ARC-A002272

If you have any questions or require additional assistance, please contact one of our conferencing specialists at (847) 619-6384 or press *0 from your touch-tone phone during the audio conference.

We look forward to seeing you on December 5.

SFC-ARC-A002273

From: Johnson, Virginia H.

Sent: Wednesday, November 09, 2005 5:57 PM

To: 'Bill J. Gagliano (bgagliano@ulmer.com)'; 'Edward A. Heidt Jr. (Buzz.Heidt@thepenrodcompany.com)'; 'Jon M. Huntsman (pam_bailey@huntsman.com)'; 'Ann Kaplan'; 'Bruce LaBoon R. (laboon@lockeliddell.com)'; 'Anna Maria Larsen'; 'Elaine M. Lyerly (elyerly@lyerly.com)'; 'Bonnie McElveen-Hunter (Bonnie.hunter@paceco.com)'; 'Glenn Sieber (glenn.a.sieber@accenture.com)'; Evans, Marsha; Elcano, Mary; Starr, Jim; 'curveddash@aol.com'; 'Melanie Sabelhaus'

Cc: 'Michele.rippee@thepenrodcompany.com'; 'Paula Goldberg'; 'Linda Hames (lhames@lockeliddell.com)'; 'janice.m.beebe@accenture.com'; Conlogue, Avele; 'Connie Talcott (connie.talcott@paceco.com)'; Starr, Jim; White, Yvonne; Better, Celeste E.; Johnson, Virginia H.; Rhodd, Michelle; 'ConleyH@usa.redcross.org.'

Subject: BOG Fundraising Task Force Follow-up

Message to the Board of Governors Task Force on Fundraising from Co-Chairs Elaine Lyerly and Bruce LaBoon:

The Task Force will meet from 8:30 a.m. to 11:30 on Monday, December 5, at the 17th Street Building at National Headquarters to review feedback from the Jerry Panas report that was discussed at the BOG Retreat last month. In addition to continental breakfast, an early lunch will be served. For those of you who are unable to attend, we will set up a conference call. The Chairman's Office will provide details regarding meeting room location and call-in information for those who will participate by telephone no later than next week.

We received very thorough and thoughtful feedback from a number of you. We will compile a summary of your collective comments and forward those to you next week as well.

We look forward to seeing you on December 5.

SFC-ARC-A002274

From: Rhodd, Michelle

Sent: Tuesday, August 02, 2005 1:42 PM

To: Walter Thornton (walthornton@aol.com); Allan Goldberg MD (allan_goldberg@merck.com); Anna Maria Larsen (aml@larsens.com); Bonnie McElveen-Hunter (Bonnie.hunter@paceco.com); Brian G. Skotko (Brian_Skotko@student.hms.harvard.edu); Carlos M. Gutierrez (fschwien@doc.gov); Carr, Steve (scarr@prodigy.net); Condeleezza Rice (CharlesEP@state.gov); General Richard B. Myers (Lois.Theiler@js.pentagon.mil); Gerald Sanders (grs@vccllc.com); Jerry Goodwin (jerry@goodwingrant.com); Joe Pereles (joe.pereles@druryinn.com); John Braxton (Jbrax19123@aol.com); Julie J. Burger (julieandles@comcast.net); Kate Forbes (ForbesKA@aol.com); Michael Chertoff (daniel.craig@dhs.gov); Michael O. Leavitt (debbie.gershman@hhs.gov); R. James Nicholson (RJN@va.gov); Robert Smolen (rsmolen@nsc.eop.gov); Sherry Lansing; Theodore Parrish (tparrish@wpo.nccu.edu); wmconne@guidant.com; Ann Kaplan; bgagliano@ulmer.com; c.wilkinson@asu.edu; Chris Allen; fstokes@moac.morgan.edu; gako@kmsventures.com; gfdams@fedex.com; glenn.a.sieber@accenture.com; hoffman.joyce@principal.com; judithrichardshope@paulhastings.com; Karen Goodman; mike.hawkins@dinslaw.com; njclyde@clydeassociates.com; ogdenr@optonline.net; richard_niemiec@bluecrossmn.com; Rick Grinnan; rlinder@hrva.com; sandy.belden@communitybankna.com; shassmiller@rwjf.org; whalen81DD@aol.com; wlucy@afscme.org; wmathies@pacbell.net

Cc: 'Elaine M. Lyerly'; Bruce LaBoon R. (laboon@lockeliddell.com); Evans, Marsha; Elcano, Mary; Susan_E_Vlasak@bluecrossmn.com; Bernadette Dwyer; Chamille Anderson (canders5@hfhs.org); Connie Talcott (connie.talcott@paceco.com); Fonken, Kathy; janice.m.beebe@accenture.com; Kim Pierron; Linda Hames (lhames@lockeliddell.com); Nell Hill; Paula Goldberg; Rosie Daniels; Sharon Miller (Sharon.Miller@asu.edu); Noriega, Patte

Subject: Fundraising Taskforce

MESSAGE TO THE BOARD OF GOVERNORS FROM ELAINE LYERLY AND BRUCE LABOON, CO-CHAIRS, FUNDRAISING TASK FORCE

Last Friday we sent an email to you regarding Board members paying for the costs associated with the non-episodic fundraising study that is currently being conducted by Jerold Panas, Linzy and Partners. Since a number of you have contacted us with questions, we believe some clarification is in order.

If you are able to make a contribution to help defray these expenses, please do so. You should consider this gift to be over and above your annual contribution to the American Red Cross. For those who are able, please send your contribution by August 15th to Virginia Johnson, Executive Director of the Office of the Chairman, designated to the "American Red Cross – Board of Governors Fundraising Task Force."

There is a fixed cost for the consultant's study of \$56,000. We will track the contributions and advise you when we have met our goal. Thank you for your assistance in this important Board sponsored project. Please contact Elaine or Bruce directly if you have additional questions or would like to discuss this matter.

Elaine 704-525-3937 or elyerly@lyerly.com

SFC-ARC-A002275

Bruce 713-226-1330 or laboon@lockeliddell.com

Elaine Lyerly and Bruce LaBoon

SFC-ARC-A002276

Johnson, Virginia H.

From: Rhodd, Michelle
Sent: Friday, July 29, 2005 4:26 PM
To: Walter Thornton (waltthornton@aol.com); Allan Goldberg MD (allan_goldberg@merck.com); Anna Maria Larsen (aml@larsens.com); Bonnie McElveen-Hunter (Bonnie.hunter@paceco.com); Brian G. Skotko (Brian_Skotko@student.hms.harvard.edu); Carlos M. Gutierrez (fschwie@doc.gov); Condelezza Rice (SantosCT@state.gov); General Richard B. Myers (Lois.Theiler@js.pentagon.mil); Gerald Sanders (grs@vccllc.com); Jerry Goodwin (jerry@goodwingrant.com); Joe Pereles (joe.pereles@druryinn.com); John Braxton (Jbrax19123@aol.com); Julie J. Burger (julieandles@comcast.net); Kate Forbes (ForbesKA@aol.com); Michael Chertoff (daniel.craig@dhs.gov); Michael O. Leavitt (debbie.gershman@hhs.gov); R. James Nicholson (RJN@va.gov); Robert Smolen (rsmolen@nsc.eop.gov); Sherry Lansing; Theodore Parrish (tparrish@wpo.nccu.edu); wmcconne@guidant.com; Ann Kaplan; bgagliano@ulmer.com; c.wilkinson@asu.edu; Chris Allen; elyerly@lyerly.com; fstokes@moac.morgan.edu; gako@kmsventures.com; gfadams@fedex.com; glenn.a.sieber@accenture.com; hoffman.joyce@principal.com; judithrichardshope@paulhastings.com; Karen Goodman; laboon@lockeliddell.com; mike.hawkins@dinslaw.com; njclyde@clydeassociates.com; ogdenr@optonline.net; richard_niemiec@bluecrossmn.com; Rick Grinnan; rlinder@hrva.com; sandy.belden@communitybankna.com; shassmiller@rwjf.org; Steve Carr; whalen81DD@aol.com; wlucy@afscme.org; wmathies@pacbell.net
Cc: Evans, Marsha; Elcano, Mary; Susan_E_Vlasak@bluecrossmn.com; Bernadette Dwyer; Chamille Anderson (canders5@hfhs.org); Connie Talcott (connie.talcott@paceco.com); Fonken, Kathy; janice.m.beebe@accenture.com; Kim Pierron; Linda Hames (lhames@lockeliddell.com); Nell Hill; Paula Goldberg; Rosie Daniels; Sharon Miller (Sharon.Miller@asu.edu); Noriega, Patte
Subject: Letter to the Board of Governors

Message to the Board of Governors from Fundraising Task Force Co-Chairs Elaine Lyerly and Bruce LaBoon:

During our meeting in San Francisco in May 2005, the Board of Governors approved a Resolution to form a Fundraising Task Force to benchmark realistic expectations and goals focusing on sustainable non-episodic fundraising in the competitive environment of other non-profit organizations. The Resolution further provided that expenses for any external consulting services to the Task Force were to be funded by individual members of the Board.

The Task Force members decided that an external consultant was required to benchmark the fundraising strategies and to identify the best practices of other non-profit organizations. After sending out a Request for Proposal in early June, the Task Force interviewed four consulting firms. Based on those interviews, the Task Force narrowed its selection to two firms and met a second time for additional presentations and interviews.

The Task Force unanimously selected the firm of Jerold Panas, Linzy and Partners to undertake this important work. All of the Task Force members were extremely impressed with the reputation and skill of this firm. The Panas firm agreed to conduct the study for \$51,000 plus capped expenses not to exceed \$5,000, for a total of \$56,000.

Under the terms of the contract, the Board is obligated to pay one-third of the fee at this time, with the second and third installments due in September and October 2005, respectively. That is why we are now writing to you to request your participation in paying for this very significant consulting contract. Please contact us no later than August 3rd, to let us know whether you are able to assist the Board in underwriting this expense. All of your payments should be made to the American Red Cross so that you may, appropriately, treat your contribution as a tax deductible expense.

The firm has already begun its interviews of Red Cross personnel at NHQ and will provide the Task Force with an interim report on October 14. The firm will make an extensive report to the entire Board during our Board Retreat on October 29.

Thank you in advance for your participation in this activity. Please feel free to contact either of us to discuss this.

From: Johnson, Virginia H.

Sent: Friday, July 08, 2005 1:09 PM

To: 'Bill J. Gagliano (bgagliano@ulmer.com)'; 'Edward A. Heidt Jr. (Buzz.Heidt@thepenrodcompany.com)'; 'Jon M. Huntsman (pam_bailey@huntsman.com)'; 'Ann Kaplan'; 'Bruce LaBoon R. (laboon@lockeliddell.com)'; 'Anna Maria Larsen'; 'Elaine M. Lyerly (elyerly@lyerly.com)'; 'Bonnie McElveen-Hunter (Bonnie.hunter@paceco.com)'; 'Glenn Sieber (glenn.a.sieber@accenture.com)'; Evans, Marsha; Elcano, Mary; Starr, Jim; 'curveddash@aol.com'

Cc: 'Michele.rippee@thepenrodcompany.com'; 'Paula Goldberg'; 'Linda Hames (lhames@lockeliddell.com)'; 'janice.m.beebe@accenture.com'; Conlogue, Avele; 'Connie Talcott (connie.talcott@paceco.com)'; Bradley, Leigh A.; White, Yvonne; Better, Celeste E.; Rhodd, Michelle; Johnson, Virginia H.; Guthrie, Ariadne (Intern)

Subject: Fundraising Task Force Update

Message to the Board of Governors Task Force on Fundraising from Co-Chairs Elaine Lyerly and Bruce LaBoon:

The schedule for our meeting on Tuesday, July 12, is as follows:

Noon – 1:00: Panas Linzy & Partners

1:30 – 2:30: John Brown Limited

We believe it would be useful for the Task Force Members to have an opportunity to meet alone prior to the beginning of our first interview. We request that you arrive (or phone in, if you are participating by conference call) at 11:30 for discussion prior to the commencement of the noon interview. Lunch will be available at that time.

We are attaching for your review a list of the questions we asked each firm to respond to on the 12th. We look forward to seeing you on Tuesday.

- Identify the specific team members (and the lead consultant) who would be working on the Red Cross engagement, including the amount of time to be dedicated to the project. If you have not done so, please supply copies of their bios
- Expand on the performance metrics and benchmarking that you would use for the analysis of the American Red Cross non-episodic fundraising.
- How will you assess the non-episodic fundraising of other organizations and rank where the American Red Cross falls among those organizations?
- What are the common denominators in benchmarking that you relied on when you identified comparable organizations to the American Red Cross, such as the American Cancer Society, United Way, the Salvation Army, or Make-A-Wish Foundation?

- Expand on the previous work that your organization has done with Red Cross chapters. Specifically, identify the name of the chapter and dates, the scope and length of the project, the objectives, and any deliverables produced.
- A general overview of a plan for the Red Cross to implement your recommendations. How would your organization assist in implementation?

Carroll, Michael (Columbus)

From: glenn.a.sieber@accenture.com
Sent: Tuesday, November 29, 2005 3:39 PM
To: SHASSMI@rwjf.org; ogdenr@optonline.net; sandy.belden@communitybankna.com; elyerly@lyerly.com; aml@larsens.com; ForbesKa@usa.redcross.org; Bonnie.hunter@paceco.com; EvansM@usa.redcross.org
Cc: RhoddM@usa.redcross.org; ElcanoM@usa.redcross.org; Connie.Talcott@paceco.com; PaulsenRu@usa.redcross.org; WhiteSi@usa.redcross.org; JohnsonVH@usa.redcross.org; RoseD@usa.redcross.org; BradleyL@usa.redcross.org; StarrJ@usa.redcross.org; McCurryA@usa.redcross.org; LukpetrisM@usa.redcross.org; SchneidM@usa.redcross.org; RaineyJ@usa.redcross.org; RocheN@usa.redcross.org; BetterC@usa.redcross.org; CarrollM@usa.redcross.org; glenn.a.sieber@accenture.com
Subject: FW: Dec 1 meeting
Importance: High

Below is some material I asked Russ Paulsen to forward that I think you may find useful as pre-reading prior to our meeting on Thursday. As Sue and I have discussed, one of the things we will look to accomplish on Thursday is to START to reaffirm if the current wording around the ARC mission, vision, charter and policy for catastrophic disasters remains germane, accurate and comprehensive. Your reading through this material prior to the meeting would help make the meeting much more "productive" (meaning you not having to listen to me prattle on while I read this stuff aloud). Sorry for the late homework assignment (my fault - not Russ's) but there is not much to read below (and it is NOT critical to read through the Task Force material Russ attached although you are welcome to do so). Thanks and I look forward to seeing you Thursday.

GAS

Glenn A. Sieber
 Accenture
 One Financial Plaza
 Hartford, CT. 06103

office: 860-756-2794
 fax: 860-756-2890

glenn.a.sieber@accenture.com

From: PaulsenRu@usa.redcross.org [mailto:PaulsenRu@usa.redcross.org]
Sent: Monday, November 21, 2005 6:13 PM
To: Sieber, Glenn A.
Subject: RE: Dec 1 meeting

The Charter is our highest-bid item. It has four purposes, three of which relate primarily to AFES. Purpose four is

(4) to carry out a system of national and international relief in time of peace, and apply that system in mitigating the suffering caused by pestilence, famine, fire, floods, and other great national calamities, and to devise and carry out measures for preventing those calamities.

Mission says:

The American Red Cross, a humanitarian organization led by volunteers and guided by its *Congressional Charter* and the Fundamental Principles of the International Red Cross Movement, will

11/29/2005

SFC-ARC-A002281

be advised when such assumption of direct responsibility is deemed necessary. The President and CEO should notify the Executive Committee of such action at such time.

The mission (looks more like a vision, but it's called a mission in the document) for disaster services, as approved by the Board as a part of the Disaster Services Task Force (2002) Report:

Every day throughout America, Red Cross neighbors help save their neighbors' lives and property from the destructive power of disasters. We are the premier, volunteer-led organization devoted to: educating people to prevent and prepare for disasters; planning for and responding to disasters; and advocating for disaster victims. We are driven to serve people, using the highest standards of urgency, excellence, compassion, trust and respect...and do so as a team in partnership with others.

Finally, I've attached the report of the Task Force from three years ago. It's a little long, but as close as we have to any organizational statement specifically about catastrophic disasters.

Russ

This message is for the designated recipient only and may contain privileged, proprietary, or otherwise private information. If you have received it in error, please notify the sender immediately and delete the original. Any other use of the email by you is prohibited.



**American
Red Cross**

National Headquarters
2025 E Street, N.W.
Washington, DC 20006

Bonnie McElveen-Hunter
Chair

July 15, 2005

Marsha J. Evans
President and CEO
American Red Cross
National Headquarters
2025 E Street, NW
Washington DC 20006

Dear Marty,

I'm extraordinarily appreciative for your gracious recognition of my anniversary at the American Red Cross – which was also my birthday (but who's counting?!)

I will cherish the gorgeous leather hand-crafted speech attaché. I'm worried that my words may not be worthy of "the chariot!" It was a very thoughtful and generous gesture.

Thank you and I hope you'll convey my heartfelt thanks to the entire team.

With warm regards,

Bonnie McElveen-Hunter

Together, we can save a life

SFC-ARC-A002283



American Red Cross

To: Bonnie McElveen-Hunter
Chair

Date: April 5, 2005

From: Marty Evans
President and Chief Executive
Officer

Subject: Confidential Briefing:
American Red Cross of the
Triangle Area
Raleigh, NC

Anecdotal:

- Barry Porter, Executive Director of the Triangle Area Chapter, has a rich and diverse 23 year history with the American Red Cross. He has served at the Triangle Area Chapter since April of 2003. His Red Cross experience began as a volunteer in 1983; he has worked for the Red Cross in Indiana, Illinois, Ohio, Kentucky, Alabama and North Carolina.
- Bob Bowerman has been a chapter volunteer for ten years and has served as the Disaster Chair and as a Board Member of the Triangle Area Chapter before becoming Chairman. Prior to coming to the Chapter he served as the North Carolina State Mitigation Chair as well as a Volunteer Partner to the National Mitigation Manager. Mr. Bowerman is retiree of IBM where he worked for 38 years.
- With 23 paid staff and over 2400 volunteers, the ratio of volunteers to staff is 106 to 1.
- There were 250 blood drives were set up throughout the community in 2004.
- In FY 04 the Triangle Area Chapter took on service delivery responsibilities for Johnston County, NC.
- The Chapter has increased Health and Safety attendance by offering convenient on line registration for its life saving courses. The Chapter has over 800 instructors who taught over 28,000 people in 2004.
- Volunteers and staff provided 197 families affected by fire with emergency aid The Chapter was also able to assist 844 families with emergency AFES communications and social services for military personnel and their families.

Statistics

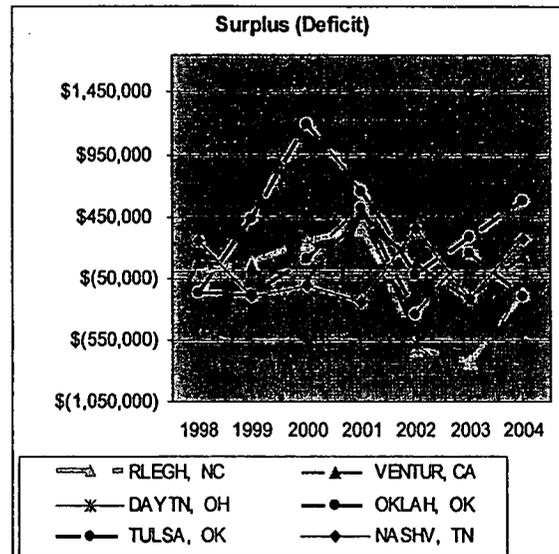
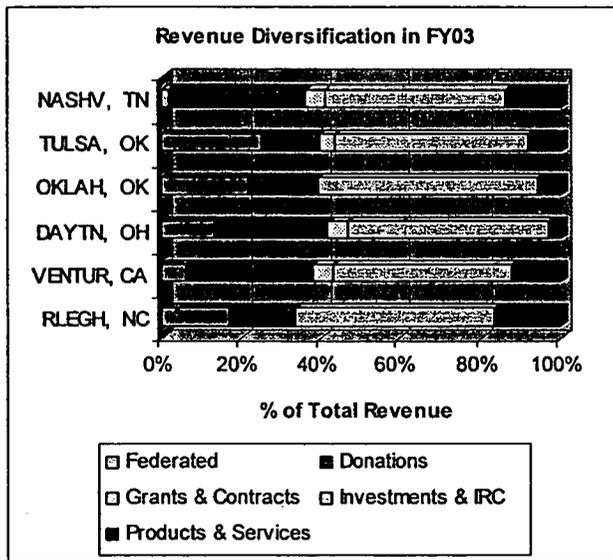
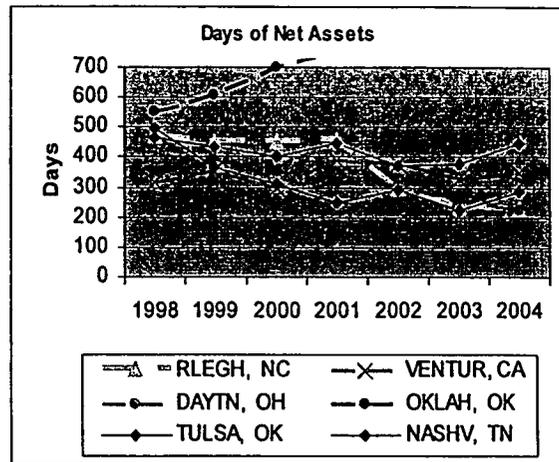
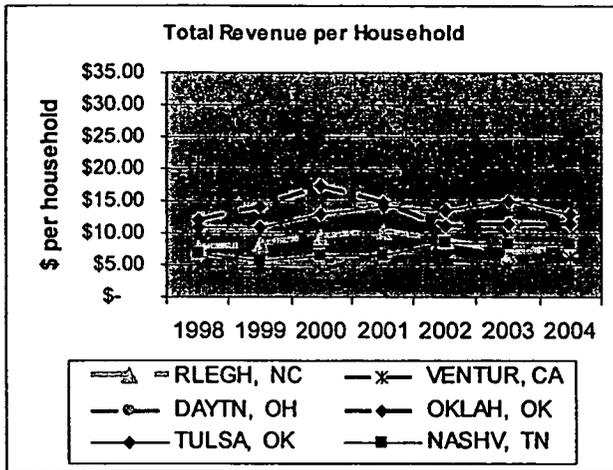
Environment/Demographics

- The total population of the area is 804K people. This represents an increase of 28.0% over the last 7 years.
- Over 33.2% of the population are under represented (a.k.a. minority). This is above the average percentage for its closest peers and shows an increase of 20.0% in the last 7 years.
- The median household income of \$60,613 is above the average for its closest peers and has increased by 13.1% in the last 7 years.

Financial Health

- The financial health of the Triangle Area Chapter is below that of its closest peers. Several chapters in this group have been in and out of deficit since FY01. This chapter has been in deficit for the last three years.

- This chapter has 227 days of net assets, below the group's average, which represents a decrease of -51% over the last 7 years. It is below the group average for total income per household [\$7.6 vs.\$11.9 per household] and represents a decrease of -0.8% in total revenue over the last 7 years.



Programmatic Capacity

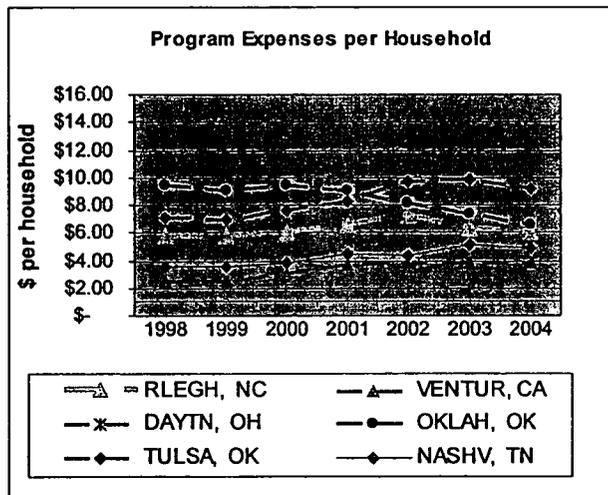
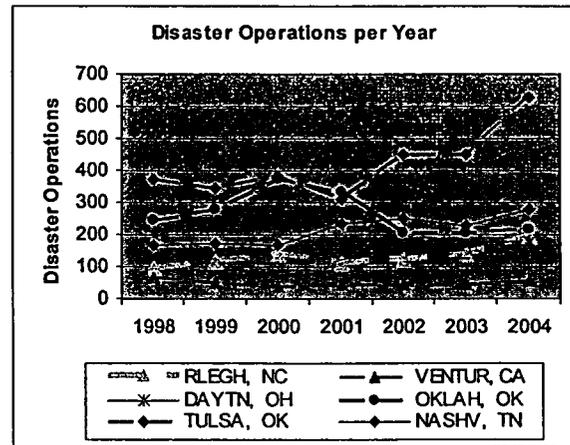
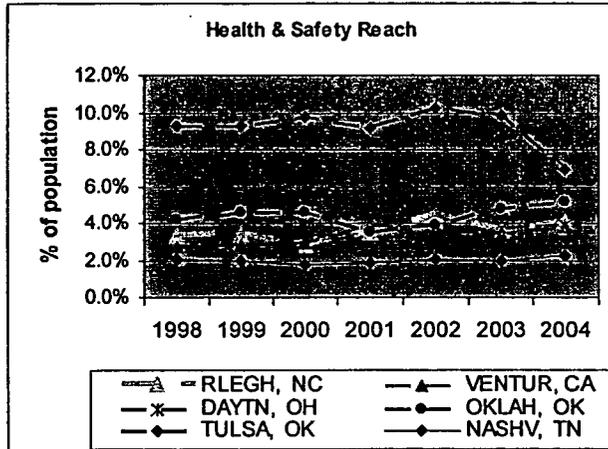
- There is a total paid staff of 21 which is far below the peer average of 42 and signifies a decrease of -36% over the last 7 years.
- The Chapter has 90 registered volunteers per 10K households. This number is above the peer average of 63 volunteers per 10K households and represents an increase of almost 2% in the number of volunteers over the last 7 years.
- There are 38 Health & Safety instructors per 10K households which is above the peer average of 29 instructors per 10K households. This shows a decrease of -30% over the last 7 years.
- There are 2.97 DSHR enrollees per 10K households which is above the peer average of 2.28. The number of DSHR enrollees has increased by 14% in the last 7 years.

Service Delivery

- The Chapter is below its peer group average in health and safety reach [4.1% vs.4.4%] and

also below the national average (3.98% of the population). However, this is an increase of 22.0% in the last 7 years.

- This chapter is below the group average in the number of disaster operations per year it responds to. This number has increased by 100.0% in the last 7 years.
- With \$6.06 in program expenses per household, the Chapter is below the peer group average [\$8.18] but above the national average [\$3.49]. It indicates an increase of 5.3% in program expenses in the last 7 years.



American Red Cross **IMPACT**

The Triangle Area Chapter at work...

- Every 36 hours a family of 4 in this area loses their home to fire.
- Every 36 hours the Triangle Area Chapter provides immediate shelter, food and clothing for a family of 4 left homeless due to a fire.
- Every week 650 units of live-saving blood is collected from residents in the Triangle area.
- Every day 92 units of live-saving blood are collected.
- Every week 526 of your Triangle area neighbors are trained in CPR, First Aid or Water Safety.
- Every week 28 military families turn to the Triangle Area Chapter for emergency communications to their loved ones in the military.

These services are provided by more than 2400 local volunteers, your neighbors in the community. With 23 staff, there are 106 volunteers for every local Red Cross staff member.

Nationally...

- Every 8 minutes, an American suffering from a disaster gets help from the Red Cross.
- Every 2 seconds, someone in the U.S. needs blood. Half of America's blood is donated through the American Red Cross.
- Nationally almost 4 million blood donors help Red Cross provide life saving blood to patients in need last year.
- On average the Red Cross trains more than 76,000 people in *disaster education* every week at local American Red Cross chapter like those here in the Triangle area.
- On average the Red Cross trains more than 200,000 people in a health and safety class, such as CPR or First Aid every week.
- Nationally the American Red Cross is supported by a network of almost 900,000 volunteers.

The American Red Cross Tsunami Relief

From December 26, 2004 to February 16, 2005

- **\$341.4 million** has been pledged to the American Red Cross as of February 16, 2005.
- **26** American Red Cross relief workers have been sent to provide support in the affected region.
- Over **330,000** tsunami survivors have been assisted by the International Red Cross/Red Crescent Movement
- **95,000** hygiene kits, **4,900** kitchen sets and **17,500** tents have been purchased by the American Red Cross for distribution in the affected region
- **\$50 million** has been committed from the American Red Cross to a partnership with the World Food Program to feed up to 2 million tsunami survivors.
- In the Maldives, Red Cross workers led psychosocial trainings for more than **147** teachers in **108** schools. Psychosocial support (or mental health counseling) has been provided for **12,640** people.

Triangle area Residents Respond to the Need:

- Triangle area residents have donated more than **\$1.7 million*** to the American Red Cross for tsunami relief.
- This outstanding contribution represents almost **26% of the total contributions to Red Cross tsunami relief in the entire state of NC.**
- **WRAL viewers** alone contributed more than **\$330,000** to the Red Cross tsunami relief effort.

* The \$1.7 million represents the contributions from residents in the Triangle Area of North Carolina which is represented by three chapters: the Triangle Area Chapter, the Orange County Chapter and the Central NC Chapter.

Hurst, Melissa

From: Golden, Jason
Sent: Tuesday, January 24, 2006 8:37 AM
To: McArthur, Brian
Subject: FW: Annual Board Giving Campaign

-----Original Message-----

From: Marchetti, Sarah
Sent: Thursday, February 03, 2005 9:06 AM
To: NHQ - Broadcast Distribution
Subject: Annual Board Giving Campaign

To: Chapter Chairman
CC: Chapter Executives, Chapter Chairman, Chapter Development Directors, Service Area Executives, Service Area Development and Communications Staff; Marchetti, Sarah; Bunte, Kara
FCC: 011-27030-80-0000-67990-0000
Subject: Annual Board Giving Campaign

Distributed to: Chapter Chairman, Chapter Executives, Chapter Development Directors, Service Area Executives, Service Area, Development and Communications Staff

The following message is from Bonnie McElveen-Hunter, Chairman, Board of Governors

Winston Churchill once wrote: The price of greatness is responsibility.

As a board member for your local chapter of the American Red Cross, you know the importance of great leadership and responsibility. Therefore, we are making a special appeal for your help. Your governance on the chapter board places in your hands the responsibility we all share to make certain the Red Cross has adequate financial resources to meet the community needs from the American Red Cross.

The fiscal year 2005 Annual Board Giving Manual can be found at https://crossnet.redcross.org/chapters/fundraise/other/board_giving.asp. It is designed to lead your chapter through a successful board giving campaign, achieving 100 percent participation by every board member. Last year, 367 Red Cross chapters and our national Board of Governors reached this mark. You can find a list of those chapters on CrossNet at https://crossnet.redcross.org/chapters/fundraise/other/abgp_chapter_participants_04.pdf, and I would like to thank each and every one of them for setting such an impressive example.

SFC-ARC-A002289

1/27/2006

This year, I look forward to a significant increase in chapters achieving this goal and encourage everyone to participate. In doing so, you will set into motion the personal investment necessary for other groups – corporations, foundations and major donors – to see and follow our example.

In light of the recent devastating earthquake and tsunami that impacted Eastern Africa and South Asia, I am mindful that our chapters' resources have been stretched and donor fatigue is a great concern. However, this unprecedented nationwide visibility provides new opportunities to engage community members in discussions about Red Cross services like never before. I encourage each of you to embrace these circumstances to further relationships, providing donors an opportunity to share their hope and compassion around the globe, here on our homeland and throughout the communities in which you live. I also look forward to working with members of the national board to engage continued support for local and national Red Cross efforts.

All chapters who achieve 100 percent Board Giving by Friday, April 8, 2005 will be recognized at the 2005 National Convention in San Francisco. The recognition form is attached to the manual. If you have any questions or would like assistance in implementing a board giving campaign in your chapter, please contact your Service Area development field staff liaison or Sonya Amartey-Tagoe in Growth & Integrated Development at 202-303-4831; AmarteyS@usa.redcross.org. I am also personally committed to helping you achieve this goal.

Thank you for your dedication and commitment to the lifesaving mission of the American Red Cross.

Congratulations again to the chapters who achieved 100% Board Giving during fiscal year 2004.

Hurst, Melissa

From: Golden, Jason
Sent: Tuesday, January 24, 2006 8:37 AM
To: McArthur, Brian
Subject: FW: NewEST version of email to go out monday!
Importance: High

-----Original Message-----

From: Jeffrey, Sophia
Sent: Friday, October 15, 2004 3:28 PM
To: NHQ - Broadcast Distribution
Cc: Golden, Jason
Subject: NewEST version of email to go out monday!
Importance: High

Good to go now???

-----Original Message-----

From: Jeffrey, Sophia
Sent: Friday, October 15, 2004 2:51 PM
To: Golden, Jason
Subject: Can you tell me if this looks ok..it's for Monday.....

Please send: Monday

Distribution: Chapter Chairs/Chief Executive Officers and Blood Services Region Chairs/Chief Executive Officers

CC: Board of Governors, Senior Management, NHQ Resolutions Committee 2005, Blood Region Area Vice Presidents.

Service Area Executives

FCC: 011-13200-90-9188-0000

Subject: Chairman McElveen-Hunter Issues Call to Submit Resolutions

The following message is from Bonnie McElveen-Hunter, Chairman, Board of Governors

Chapter and Blood Services region volunteer leadership are hereby invited to participate in the 2005 resolutions process. As you are aware, in this formal process, chartered units have an opportunity to submit resolutions to the Committee on Resolutions for consideration. At the Committee's discretion, proposed resolutions are forwarded for delegate vote during the National Convention (the Convention). If proposed resolutions are passed at Convention, they are referred to the Board of Governors for consideration in determining American Red Cross corporate policy.

In February 2004, the Board of Governors approved several modifications to the schedule for the resolutions process beginning with the 2005 timeline. It is anticipated that these modifications will enhance the new timeline, provide a timelier, more transparent and balanced process and allow for additional and thorough discussion and debate on key policy recommendations that may affect the organization.

I encourage you to take advantage of this opportunity and participate in the formal resolutions process. Proposed resolutions should be submitted to National Headquarters for consideration at the May 2005

1/27/2006

SFC-ARC-A002291

National Convention by January 15, 2005.

The resolution process, submission guidelines, and the new process timeline can be found on CrossNet:

https://crossnet.redcross.org/every/govern/resolutions/05_resolution_process.pdf

https://crossnet.redcross.org/every/govern/resolutions/05_resolutions_guidelines.pdf

https://crossnet.redcross.org/every/govern/resolutions/05_timeline.asp

Hurst, Melissa

From: McArthur, Brian
Sent: Monday, January 23, 2006 5:14 PM
To: Hurst, Melissa
Cc: Golden, Jason
Subject: FW: Volunteer Chair Support Urgently Needed

Melissa, This is the only email I can recall coming from Bonnie herself. Jason, do we have any others in your system records as being "From" Bonnie? Going back, the only one from David to chapters/field came out immediately after 9/11/01 and I no longer have it.

-----Original Message-----

From: American Red Cross
Sent: Thursday, September 01, 2005 11:49 AM
To: McArthur, Brian
Subject: Volunteer Chair Support Urgently Needed

Distributed to: Chapter Executives, Chapter Chairs; Blood Services Region Chairs; Service Area Executives

The following message is from American Red Cross Chairman Bonnie McElveen-Hunter:

As many of you know, I have the utmost respect and admiration for the American Red Cross and for its capacity to continually meet challenges in the most difficult times. Hurricane Katrina has presented an opportunity of epic proportions for us to come together yet again as "one Red Cross" for what will be a long and challenging disaster relief effort. As the damage reports come in, it appears Hurricane Katrina has left catastrophic damage in her wake and will require unprecedented large-scale and long-term mobilization of Red Cross resources from across the country.

Due to the urgency of this situation, I am personally reaching out to every one of you to stand firm with me and our President and CEO Marty Evans as we brace for the incredible task ahead. This disaster response will undoubtedly tax our every resource. Only time will tell just how great the challenge that we face will be, but as in the past, I know we will rise to the occasion and bring relief to those in need during the challenging days ahead.

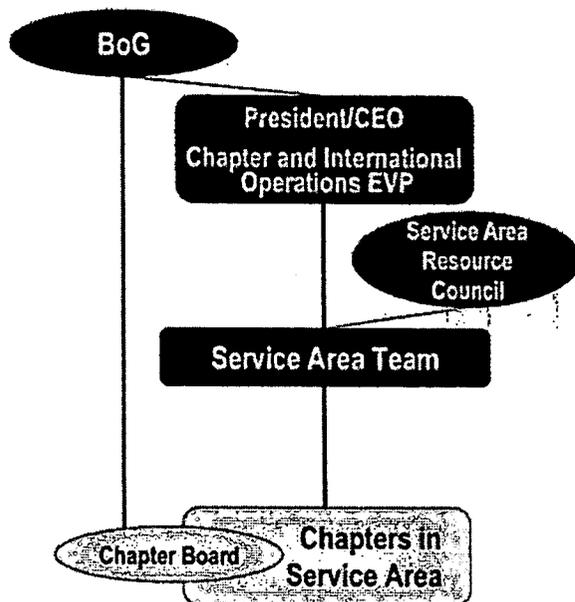
I would encourage you to plan how you can support and sustain this effort over the weeks and months to come, by reaching out to your sphere of influence as never before. Continually updated information on Hurricane Katrina can be found on the front page of CrossNet, and at https://crossnet.redcross.org/chapters/services/disasters/ops/archive/05_katrina.asp.

Additional opportunities for your engagement include encouraging employees and volunteers to deploy to the relief operations, reaching out to local government and other partners and more. Further, we must look forward and begin planning for the long-term sustainability of this massive relief operation.

Those who have survived Katrina's calamitous wrath are now facing the very worst of times, and now we must be at our very best for them. This will require all of our 125 years of experience,

resolve and ingenuity, but if we pitch in together, we can help all those in need—as we always have. America trusts the Red Cross to be there, and now is the time to earn that trust again. Only time will tell just how great the challenge that we face will be, but as in the past, I know we will together rise to the occasion.

DIAGRAM OF THE SERVICE AREA STRUCTURE

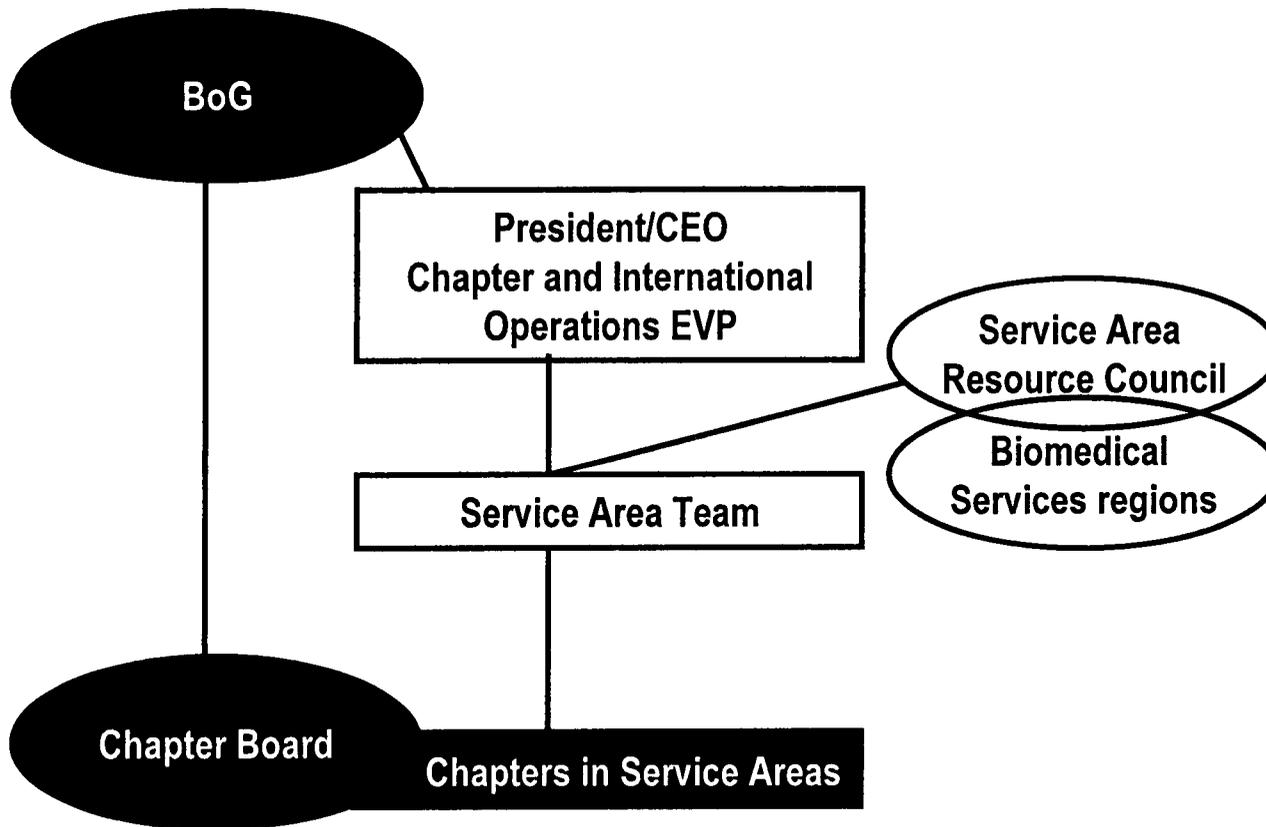


More specific information about the service area structure and its roles and responsibilities can be found on CrossNet: [Service Areas](#).

CrossNet Links

- [Board of Governors Policy Manual Part Two – Section Five](#)
 - Committees: refer to 5.14 - 5.25
 - Officers: refer to 7.1 - 7.7
- [Best Practices System – Volunteer Resources Chapter Standing Committee Commission Statement](#)
- [Guidance on Chapter Audit Committees and Supporting Processes](#)

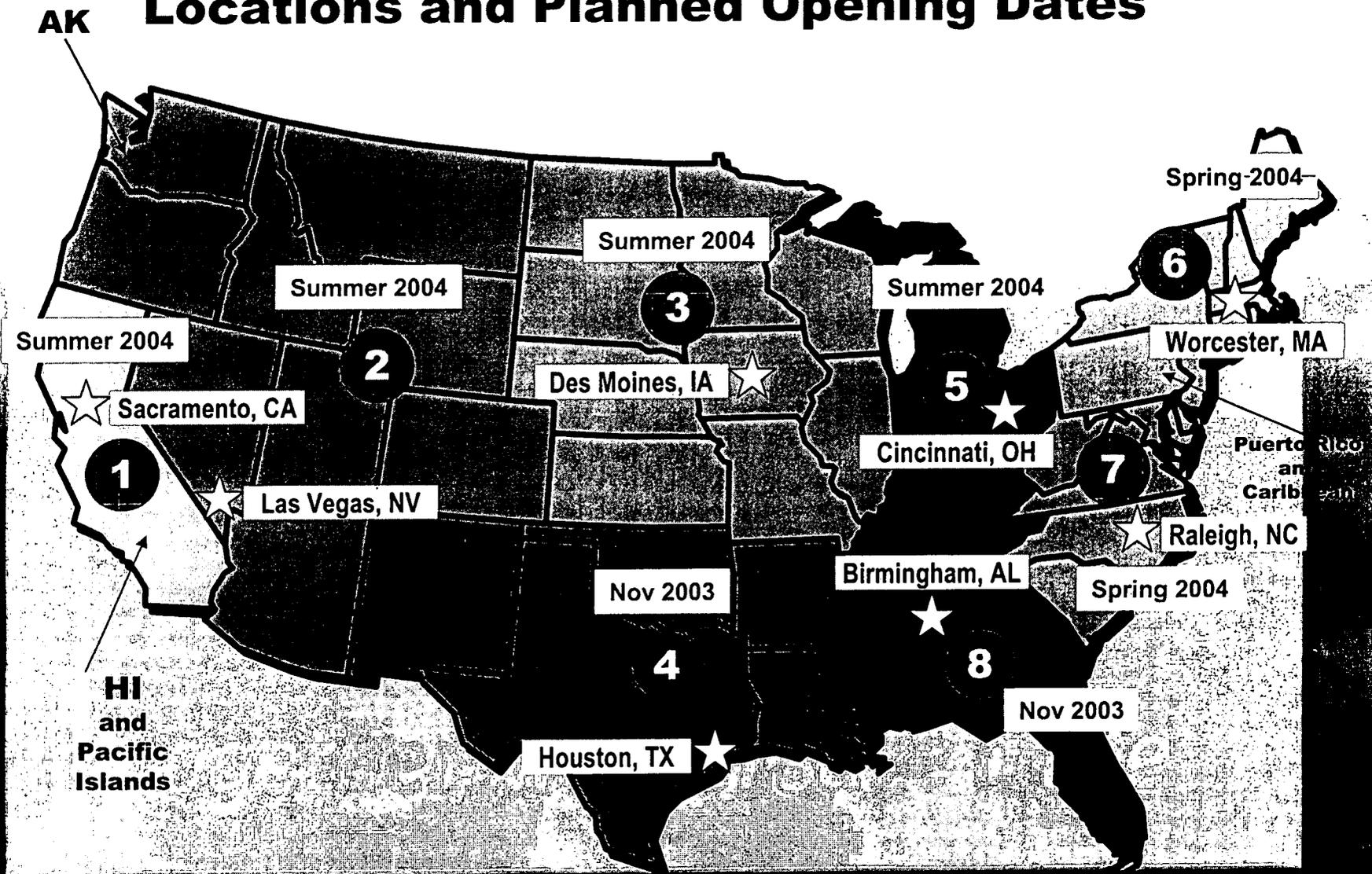
Service Area Diagram



SFC-ARC-A002298



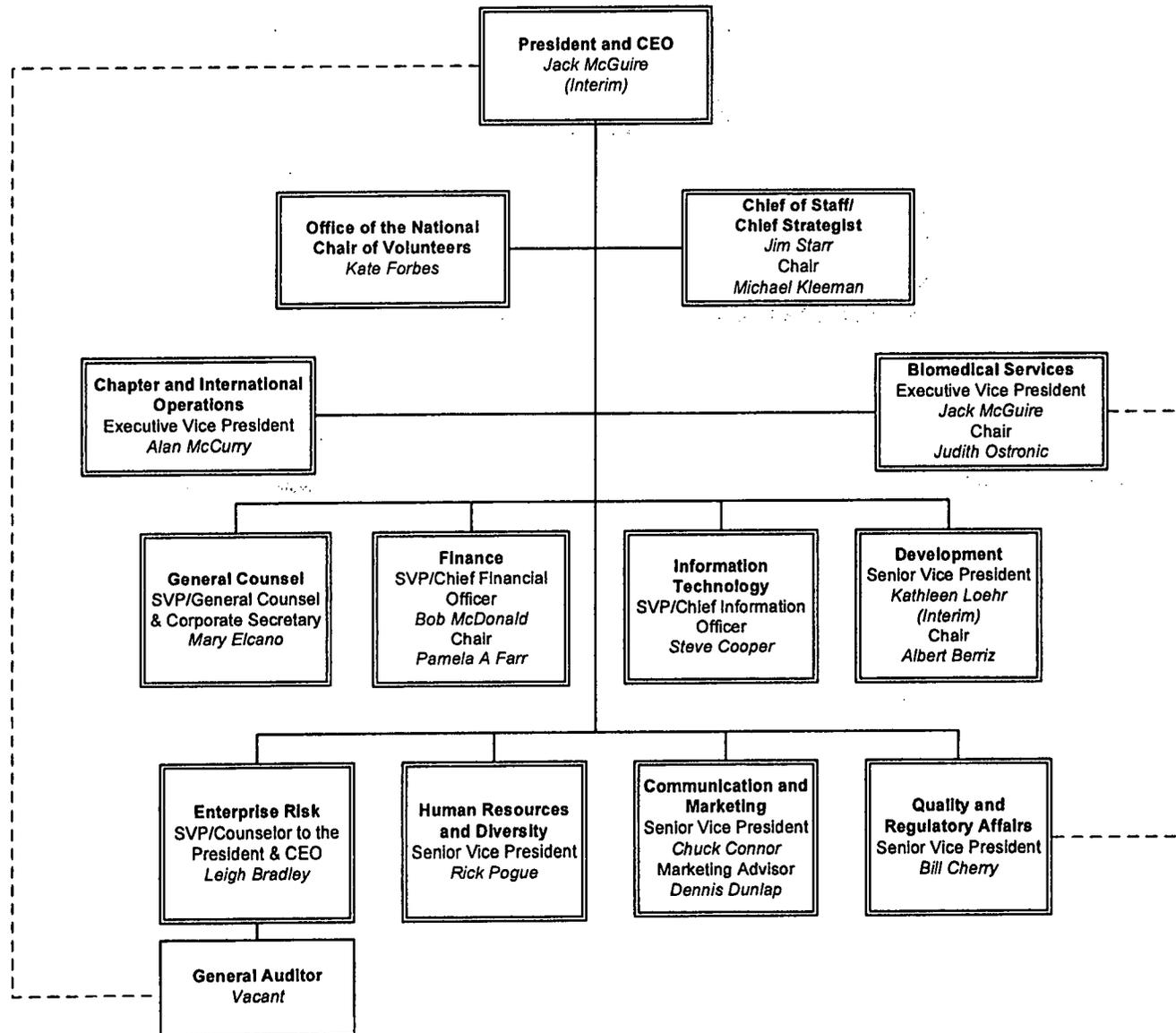
Service Area Boundaries, Headquarters Locations and Planned Opening Dates



SFC-ARC-A002299

AMERICAN RED CROSS

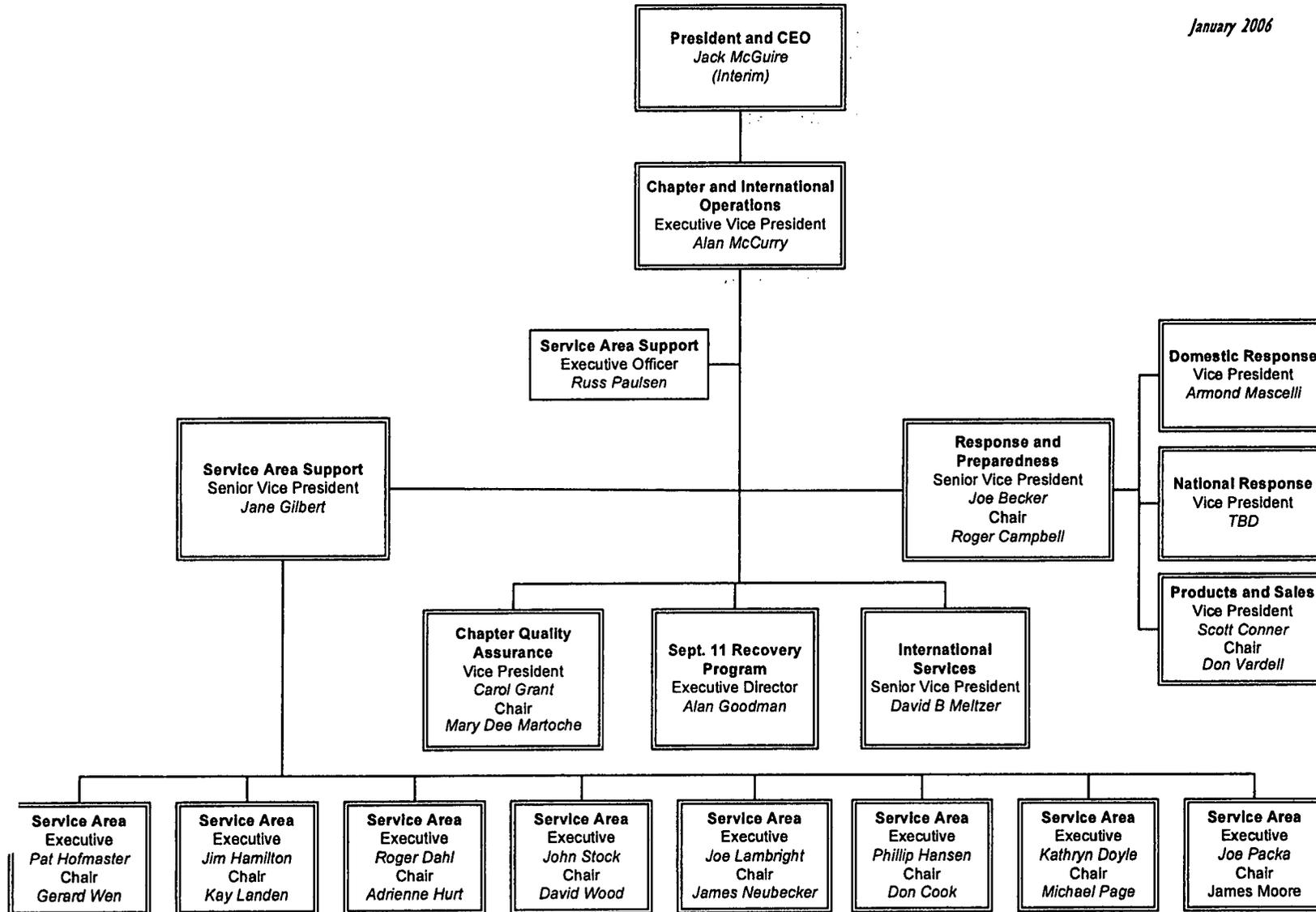
January 2006



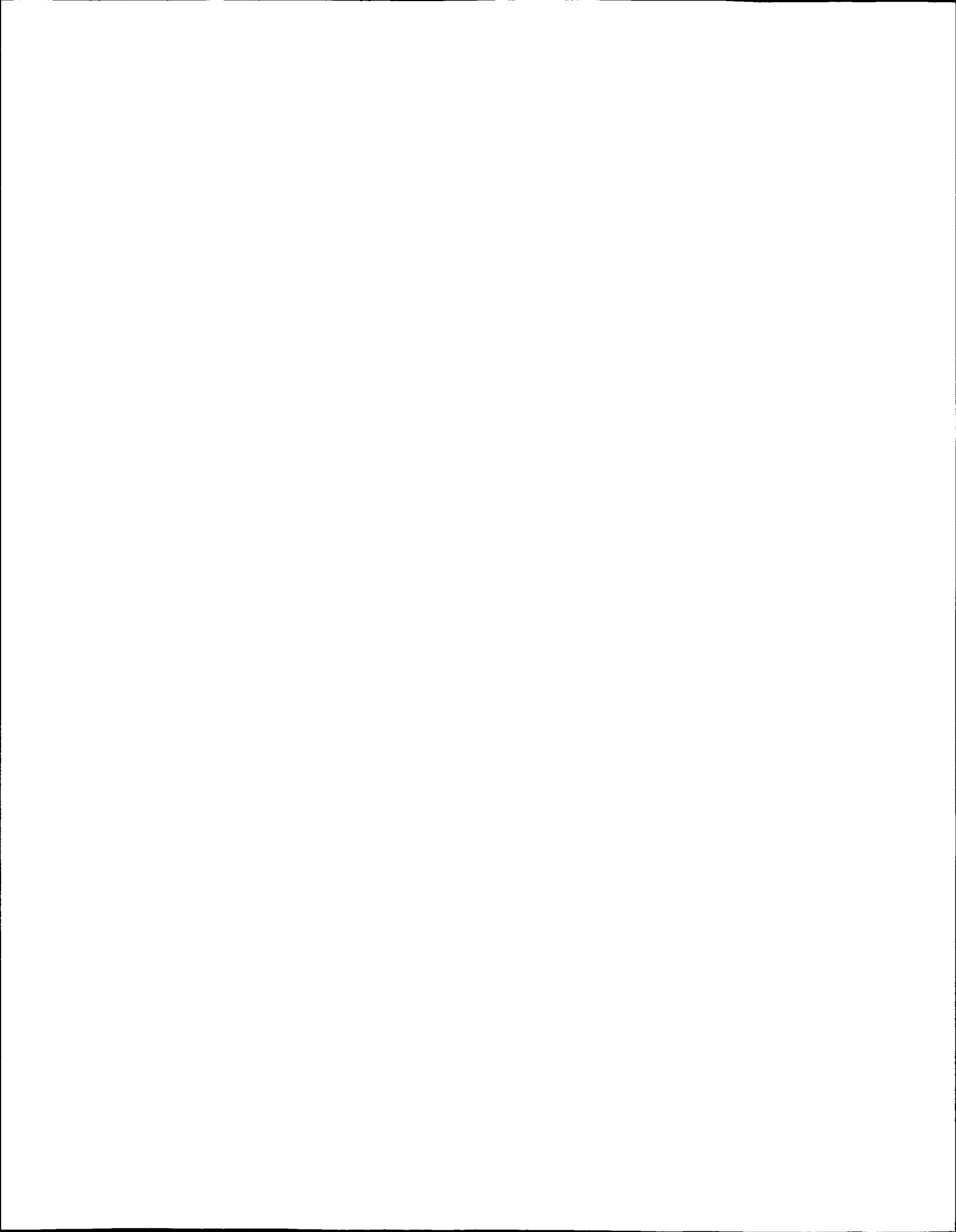
SFC-ARC-A002295

Chapter and International Operations

January 2006



SFC-ARC-A002296





WORK ASSIGNMENT FORM

Porter Novelli
1809 K Street, NW
Washington DC 20006
Tel: 202 973 6800
Fax: 202 973 5858

American Red Cross
2025 E St NW
Washington, DC 20006
Attention: Darren Irby

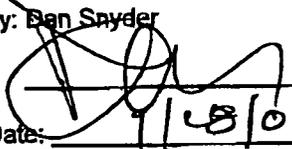
This Work Assignment Form between Porter Novelli, Inc. ("PN") and the American Red Cross ("Client") serves as PN's authorization to provide Media Outreach services to Client from September 28, 2005 until December 31, 2005, or until a fully executed client contract is available, whichever occurs first. PN and Client agree to use best efforts to have a fully executed contract in place by October 31, 2005. During the term of this Work Assignment Form, Client will be billed and agrees to pay PN for time charges based on PN's hourly rates outlined in Addendum A and estimated expenses incurred. Client agrees that such invoices are due upon receipt. It is understood and agreed upon by the parties that no work can commence until this signed Work Assignment Form is received by PN.

PN agrees to secure Client's approval by email or otherwise in writing before any work commences on any additional projects not included in this Work Assignment Form. Client agrees to pay PN's invoices upon receipt.

Client represents that the undersigned is authorized to execute this Work Assignment Form. If Client is in agreement with the foregoing, please sign this letter in the space provided below, fax a copy of the fully executed letter to PN at 202-973-5858, and return the original fully executed letter to PN.

PORTER NOVELLI, INC.

By: Dan Snyder Title: Partner

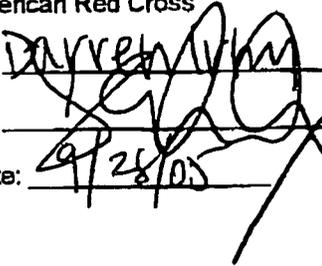
 (Signature)
Date: 1/28/05

ACCEPTED AND AGREED

American Red Cross

By: DARREN IRBY (Print Name)

Title: VP, PR

 (Signature)

Date: 1/28/05

SFC-ARC-D000826



Porter Novelli
1909 K Street NW
Suite 400
Washington, DC 20006
Tel: 202 973 5800
Fax: 202 973 5858
www.porternovelli.com

ADDENDUM A
GSA HOURLY RATES

AC	\$60.35
AAE	\$87.78
AE	\$93.26
SAE	\$127.18
AS/AM	\$135.66
VP	\$199.50
SVP	\$211.96
EVP	\$279.29
Partner	\$296.75

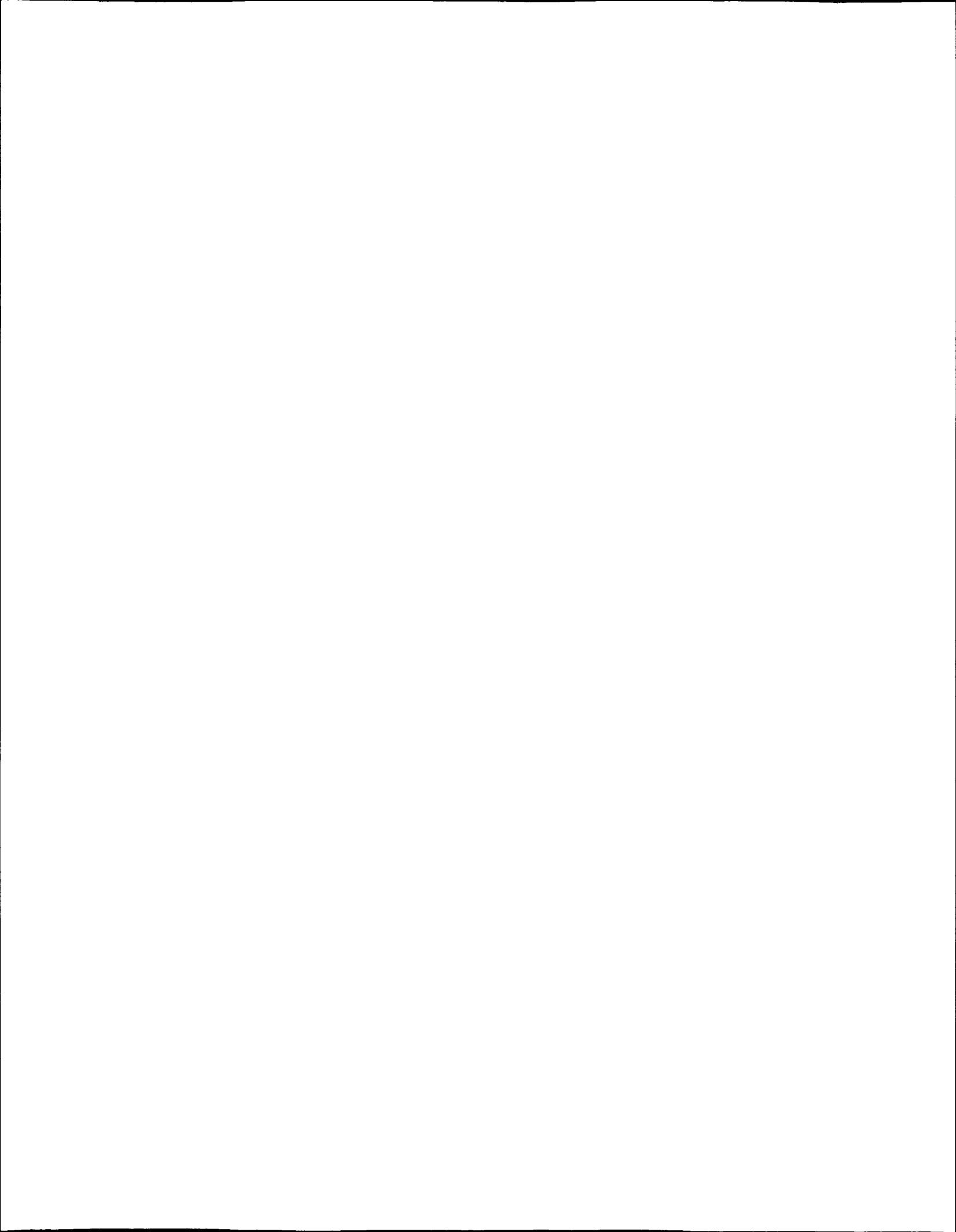
PN will advise Client as to any changes in the standard hourly rates or rate structure on not less than thirty (30) days' prior written notice. Notwithstanding any provision of the Agreement to the contrary, new standard hourly rates will automatically be deemed effective by the parties 30 days from the date on which you are notified in writing of such changes in the standard hourly rates (the "Effective Date"). Standard hourly rates may not be changed by PN for a period of one (1) year from the Effective Date without your prior written consent.



**Scope of Work
American Red Cross
September 30, 2005**

Porter Novelli will handle the following communications tasks for the American Red Cross around promotion of the Red Cross' local human-interest stories:

- Review and identify current and incoming stories for news value; provide list of recommendations to American Red Cross
- Conduct follow up with story authors and/or story subjects to verify facts, gain additional insights
- Draft stories as needed, based on discussions with field staff and/or national office communications team
- Identify 15-20 newsworthy stories; craft local angles
- Develop media lists for 15-20 local/regional stories; lists will include print and broadcast outlets (as appropriate)
- Pitch 15-20 stories to area media; conduct ongoing follow up
- Develop potential Q&A for pitching staff, with approval from American Red Cross
- Develop 4-5 "package" articles, featuring a series of similar stories; promote to regional wire services; coordinate any necessary approval with American Red Cross
- Conduct electronic monitoring to identify coverage; forward to American Red Cross



STANDARD

196977 2 1

YY

N
N

American Red Cross
Communications & Marketing-E
2025 E Street NW
Washington, DC 20006

PUBLIC STRATEGIES INCORPORATED
PO BOX 203010
HOUSTON, TX 77216

American Red Cross
Communications & Marketing-E
2025 E Street NW
Washington, DC 20006

N

1158225

20-FEB-04 Brand, S
704-943-6907

11-OCT-04 Brand, S
09-AUG-04

NET 30

Scott, Patty G

SRAGOW, D (415) 678-2794

I. Purpose: To provide professional consulting services related to the Senior Leadership Branding Project in accordance with the terms and conditions contained in the attached Contract dated December 1, 2003.

II. Term: December 1, 2003 - November 30, 2004.

CPA amended to add funds in the amount of \$7,000 to cover additional expenses in accordance with the request received from Patty Scott/Carrie Martin dated October 6, 2004.

CC 10/07/04

- 1 Your #: FY04 30-JUN-04 70,000.00 N
PUBLIC RELATIONS FOR SENIOR LEADERSHIP BRANDING PROJECT
This PO line references contract #: 179884
- 2 Your #: FY05 30-NOV-04 50,000.00 N
PUBLIC RELATIONS FOR SENIOR LEADERSHIP BRANDING PROJECT
This PO line references contract #: 179884
- 3 Your #: FY05 30-NOV-04 7,000.00 N
PUBLIC RELATIONS FOR SENIOR LEADERSHIP BRANDING PROJECT
This PO line references contract #: 179884

127,000.00

American Red Cross

Contract Requisition Form

Department/Division: Communication and Marketing	Contract Type <input type="checkbox"/> Firm Fixed Price <input type="checkbox"/> Task Order <input type="checkbox"/> Task Against Contract #:	<input type="checkbox"/> Blanket Purchase Agreement <input type="checkbox"/> Indefinite Delivery Indefinite Quantity (IDIQ)
Requester: Patty Scott/Carrie Martin		
Phone #: 202-303-4442 Ext:		
FAX #: 202-303-0028		
Date: 10/05/04		

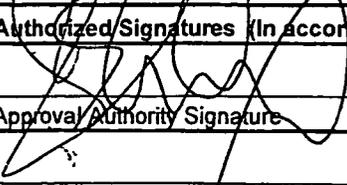
Ship-To Information				Bill-To Information			
Company/Name: The American National Red Cross				Company/Name: OCT - 6 2004			
Address: 2025 E Street, NW				Address:			
ATTN: Carrie Martin				ATTN:			
City	State	Zip Code	Country	City	State	Zip Code	Country
Washington	DC	20003	USA				

Supplier Information <input type="checkbox"/> Regulated Services <input type="checkbox"/> Approved Supplier					
Supplier Name: Public Strategies, Inc.			Tax ID # (SSN if individual):		
Address: 111 Pine Street, Ste. 911			Contact Name: Cathie Bennett Warner		Contact Phone #: 415-678-2780
City: San Francisco	State: CA	Zip Code: 94111	Country: USA	Contact FAX #: 415-678-2781	Contact E-mail: pstrategies.com

Special Instructions			
<input checked="" type="checkbox"/> Amendment to Contract # 179884	<input type="checkbox"/> Cancellation to Contract #	<input type="checkbox"/> Check Required with Contract	<input type="checkbox"/> PO Close
<input type="checkbox"/> Close PO Line #			

Description of Services:
 Amend contract for an additional \$7,000.00 for the month of November. These services are assigned to Purchase Order #196977 and the terms and conditions will remain as stated in previous contract.

Payment Information			
PO/Invoice Match Request: <input type="checkbox"/> 2-Way <input checked="" type="checkbox"/> 3-Way			
Not to Exceed Amount: \$127,000.00		Term of Contract: November 30, 2004	
<i>Instructions: Indicate payment by Fiscal Year.</i>			
Fiscal Year	Dollar Amount	Description/Item	Account Code
FY05	\$127,000.00	Public relations services for Senior Leadership	011-24810-00-0000-59990-0000
	\$	Branding Project.	
	\$		
	\$		
	\$		

Authorized Signatures (In accordance with Appendix C.I, FMPP ARC 4500)		
	Darren Irby, Vice President, Public Relations	10/6/04
Approval Authority Signature	Print or Type Name and Title	Date
Technical Concurrence Signature	Print or Type Name and Title	Date

FAX COMPLETED FORM TO NATIONAL CONTRACTING OFFICE: (703) 206-8195.

SFC-ARC-D000830

American Red Cross

cc file

Contract Requisition Form

Department/Division: Communication and Marketing	Contract Type
Requester: Patty Scott	<input type="checkbox"/> Firm Fixed Price
Phone #: 202-303-4442 Ext:	<input type="checkbox"/> Task Order
FAX #: 0028	<input type="checkbox"/> Task Against
Date: 08/04/04	Contract #:

Blanket Purchase Agreement
 Indefinite Delivery Indefinite Quantity (IDIQ)

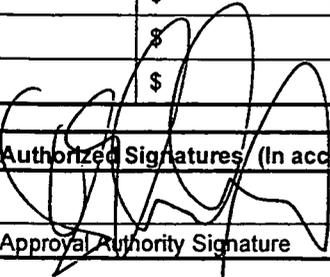
Ship-To Information				Bill-To Information			
Company/Name: American Red Cross				Company/Name:			
Address 2025 E Street, NW				Address			
ATTN:				ATTN:			
City	State	Zip Code	Country	City	State	Zip Code	Country
Washington	DC	20006	USA				

Supplier Information <input type="checkbox"/> Regulated Services <input type="checkbox"/> Approved Supplier					
Supplier Name: Public Strategies, Inc.			Tax ID # (SSN if individual):		
Address			Contact Name		Contact Phone #:
111 Pine Street, Suite 911			Cathie Bennett Warner		415-678-2780
City	State	Zip Code	Country	Contact FAX #:	Contact E-mail:
San Francisco	CA	94111	USA	415-678-2781	pstrategies.com

Special Instructions			
<input checked="" type="checkbox"/> Amendment to Contract # 179884	<input type="checkbox"/> Cancellation to Contract #	<input type="checkbox"/> Check Required with Contract	<input type="checkbox"/> PO Close
<input type="checkbox"/> Close PO Line #			

Description of Services:
Amend purchase order number 196977 to reflect the new functional cost center. The terms and conditions will remain as stated in previous agreement.

Payment Information			
PO/Invoice Match Request: <input checked="" type="checkbox"/> 2-Way <input type="checkbox"/> 3-Way			
Not to Exceed Amount: \$120,000.00		Term of Contract: November 30, 2004	
Instructions: Indicate payment by Fiscal Year:			
Fiscal Year	Dollar Amount	Description/Item	Account Code
FY05	\$	New coding	011-24810-00-0000-59990-0000
	\$		
	\$		
	\$		
	\$		

Authorized Signatures (In accordance with Appendix C.I, FMPP ARC 4500)		
	Darren Irby, Vice President, Public Relations	8/4/04
Approval Authority Signature	Print or Type Name and Title	Date
Technical Concurrence Signature	Print or Type Name and Title	Date

FAX COMPLETED FORM TO NATIONAL CONTRACTING OFFICE: (703) 206-8195.

SFC-ARC-D000831

American Red Cross

National Contracting Office, 8th Floor,
2025 E Street, NW
Washington, DC 20006

SUPPLIER: PUBLIC STRATEGIES INCORPORATED
PO BOX 203010
HOUSTON, TX 77216

Contract Purchase Agreement		
PURCHASE ORDER NUMBER	REVISION	PAGE
179884	0	1
This Purchase Order Number must appear on all order acknowledgements, packing lists, cartons, and correspondence.		
SHIP TO:	American Red Cross Communications & Marketing-E 2025 E Street NW Washington, DC 20006	
BILL TO:	American Red Cross Communications & Marketing-E 2025 E Street NW Washington, DC 20006	

VENDOR NO.	1158225	DATE OF ORDER	24-SEP-03	REVISED DATE/BUYER	
PAYMENT TERMS	NET 30	SHIP VIA	UPS	F.O.B	Origin
FREIGHT TERMS		BUYER NAME/TELEPHONE	Colbert, C 703-206-8202 1	DELIVER TO:	

CONTRACT SUMMARY

I. Purpose: To provide professional consulting services related to the Senior Leadership Branding Project in accordance with the terms and conditions contained in the attached Contract dated December 1, 2003.

II. Term: December 1, 2003 - November 30, 2004.

SFC-ARC-D000832

Cathy Colbert 9/15/04
AUTHORIZED SIGNATURE

Contract Number 179884

This Professional Services Contract ("Contract"), effective as of December 1, 2003 (the "Effective Date"), is made by and between The American National Red Cross, a charitable and not-for-profit corporation chartered by Congress, having an office at 2025 E Street, NW, Washington, DC 20006 (the "Red Cross") and Public Strategies, Inc. a Texas corporation, having its principal place of business at 98 San Jacinto Blvd, Suite 900, Austin, TX 78701 ("Contractor").

The Red Cross desires to engage Contractor to provide certain professional consulting services in support of the Red Cross Senior Leadership Branding Project as more fully described below and Contractor is willing to provide such services to the Red Cross upon the terms and conditions herein contained.

In consideration of the foregoing, of the promises contained in this Contract and of other good and valuable consideration, the Red Cross and Contractor (each, a "Party" and collectively, the "Parties") intending to be legally bound, agree as follows:

1.0 RESPONSIBILITIES OF CONTRACTOR

Using its best skills and attention, Contractor will deliver to the Red Cross the following services within each identified area ("Services"):

- Strategy – Coordinate with Red Cross public relations staff to create and implement a strategy/plan for Marsha J. Evans, making her the "face" of the Red Cross and ensure this strategy is aligned with organizational public relations plans.
- Media Relations – Secure at least two media opportunities a month including, but not limited to morning show appearances, cable/network news, talk shows, print publications, online media, etc.
- Influential Groups – Secure public speaking opportunities, (at least once a month) with influential groups at premier venues.
- Writing – Develop key messages, talking points, press releases and media advisories in association with media appearances/speaking engagements.

2.0 DELIVERABLES AND SCHEDULE OF PERFORMANCE

Using its best skills and attention, Contractor will deliver to the Red Cross the following deliverables ("Deliverables") on or before the corresponding deadlines:

- Provide written strategy reports as requested by Red Cross during the term of the Contract.
- Provide written talking points for media interviews two weeks prior to scheduled interview.
- Provide written key messages for speeches two weeks prior to scheduled speaking opportunity.

The term "Deliverables" shall include Custom Deliverables, as defined in Section 9 below.

3.0 PLACE OF PERFORMANCE

The place of performance for this Contract is at the Contractor's place of business with occasional local travel to Red Cross National Headquarters at 2025 E St., NW, Washington, D.C. Travel and maintenance expenses will be reimbursed as long as they are pre-approved and in accordance with the Travel Regulations For American Red Cross Contractors/Consultants, Attachment A, attached and hereto made a part of this Contract.

SFC-ARC-D000833

4.0 ACCEPTANCE

The Red Cross will approve, or disapprove with written modifications, the Services performed and Deliverables provided under this Contract within ten (10) days after receipt of such Services or Deliverables. The Red Cross reserves the sole and exclusive right to determine the acceptability of the Services and Deliverables provided by Contractor. Unacceptable Services or Deliverables will be corrected at no additional cost to the Red Cross.

5.0 TERM AND TERMINATION

5.1 This Contract will begin on the Effective Date and expire on November 30, 2004 unless otherwise terminated sooner in accordance with this Contract (the "Term").

5.2 The Red Cross may extend the Term of this Contract for an additional twelve (12) months by written notice to Contractor within thirty (30) days of the expiration of the Term ("Extension"). The Extension period is subject to the terms and conditions of this Contract, including without limitation, this Section 5.2. The total duration of this Contract, including the exercise of any options under this clause, may not exceed three (3) years.

5.3 Either party may terminate this Contract, by providing sixty- (60) days' prior written notice of its intention to terminate this Contract to the Contractor. The liability of the Red Cross for such termination will be limited to payment for Services performed as of the effective date of termination.

5.4 Either Party may terminate this Contract if the other has failed to fulfill any one of its obligations under this Contract (the "Breaching Party"). In the event the Breaching Party is the Contractor, the Red Cross must provide ten (10) days written notice to allow the Contractor to cure the breach. In the event the Breaching Party is the Red Cross, Contractor must provide ten (10) days written notice to allow the Red Cross to cure the breach. The Contract will terminate if the Breaching Party fails to cure the breach after the expiration of the requisite cure period. The liability of the Red Cross for termination pursuant to this section will be limited to payment for Services authorized and incurred as of the effective date of termination.

5.5 If any applicable and then-current laws, rules and regulations ("Regulations") is amended in a way that precludes a Party from lawfully performing its obligations under this Contract, either Party may terminate this Contract effective upon the effective date of such amended Regulation.

5.6 The Red Cross may terminate the Contract in accordance with Article 16.0.

5.7 In the event this Contract is terminated, Contractor agrees to immediately cease all Services and turn over all finished and unfinished Deliverables to the Red Cross.

5.8. The rights and remedies provided in this section are not exclusive and are in addition to any other rights and remedies provided by the Regulations or this Contract.

5.9 Unless otherwise provided in this Contract, In the event of any termination or expiration of this Contract, Section 5.9 and Articles 8.0, 9.0, 10.0, 12.0, 13.0, 14.0, 15.0, 17.0, 18.0 and 22.0 will survive indefinitely.

6.0 COMPENSATION AND INVOICES

6.1 As compensation for the Services and Deliverables, subject to Article 4.0, the Red Cross will pay Contractor as follows:

A firm fixed retainer fee of \$10,000 per month which will include consulting fees but is not inclusive of additional fee-based elements, such as focus groups if required by Red Cross. If Red Cross requires these Services, the Contract will be amended to add such.

Notwithstanding the foregoing, in no event will contractor receive more than \$120,000 for Services rendered and Deliverables provided in accordance with this Contract without a Contract Amendment.

6.2 Contractor must submit invoices to the Red Cross before payment will be made on a monthly basis. To ensure prompt payment, Contractor will submit an invoice to the following address: Carrie Martin, PR Manager, 2025 E St., NW, Washington, D.C. 20006 (martinc@usa.redcross.org). Each invoice must contain the following information:

- Contractor's name and address
- The Contract and/or purchase order number
- A description of the Services or Deliverables and the dates of performance or delivery
- Any additional information required by this Contract

6.3 The Red Cross will make payment to Contractor within thirty (30) days of the receipt of an accurate invoice.

6.4 Contractor agrees that submission of an invoice to the Red Cross for payment is a certification that any Services and/or Deliverables reflected on such invoice were performed in accordance with this Contract.

7.0 DELAY; FORCE MAJEURE

7.1 Contractor must notify the Red Cross, in writing, immediately upon learning, or otherwise becoming aware, of any difficulties that may delay the delivery of Services or Deliverables. Such notification must identify the reason for the delay, as well as the anticipated period of delay. Failure to provide timely notice to the Red Cross will disqualify Contractor from receiving:

7.1.1 any extension of time to perform the Services or provide the Deliverables, or,

7.1.2 any additional compensation that may arise out of the Contractor spending any additional time to perform the Services or provide the Deliverables as a result of the delay.

7.2 Each Party may be excused, without penalty, from any delay in performance or from failure to perform in accordance with this Contract, to the extent that such delay or failure results from causes beyond the reasonable control of such Party, and without fault or omission. Such excusable delays include, but are not limited to, delays caused by fires, floods, epidemics, quarantine restrictions, acts of terrorism, strikes, freight embargoes and unusually severe weather conditions. If such excusable delay extends beyond thirty days (30) either Party may terminate this Contract immediately upon written notice to the other Party, without additional cost or penalty.

8.0 REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Contractor hereby represents, warrants and covenants that:

8.1.1 All Services performed and Deliverables provided under this Contract will conform to the requirements of this Contract, as well as the Regulations.

8.1.2 It will perform all Services and provide all Deliverables in a timely and professional manner by qualified professional personnel.

8.1.3 For a period of one (1) year after acceptance by the Red Cross of the Deliverables, Contractor will promptly correct, at its own cost, any error, problem, or defect in material or workmanship with respect to such Deliverables.

8.1.4 The Services performed and Deliverables and Contractor Works provided under this Contract do not and will not contain any libelous material, or, infringe upon or violate any Regulations (including without limitation, patent, copyright, trademark, moral rights, semiconductor chip protection or unfair

competition law); any license; proprietary information; non-disclosure, trade secret, intellectual property or other right of any third party; or right of privacy; provided that it shall not be a breach of this Contract by Contractor if such infringement arises solely from (a) any materials or oral statements that were based upon information or the technical expertise provided by Red Cross or its agents; or (b) conduct or statements made under the direction of and with the prior consent of Red Cross .

8.2 If the Deliverables, Contractor Works, materials or information, including any components of the Deliverables, Contractor Works, materials, or information may or actually become the subject of a patent or copyright infringement claim ("**Infringing Deliverables**"), Contractor may:

8.2.1 substitute the Infringing Deliverables with similar modifications that are satisfactory to the Red Cross, or

8.2.2 obtain the right for the Red Cross to continue using the Infringing Deliverables. If the use of the Infringing Deliverables by the Red Cross is prevented by a permanent court action, or, if Contractor cannot obtain the right for Red Cross to continue using the Infringing Deliverables at a reasonable cost, then Contractor agrees to take the Infringing Deliverables and refund the total amount the Red Cross has paid Contractor under this Contract as set forth in Article 6.0, less one percent (1%). Contractor will provide payment to the Red Cross in immediately available funds to the address provided by the AR (as defined in Section 24.1) within thirty (30) days after the Parties determine that such refund is warranted.

8.2.3 Notwithstanding the foregoing, subsections 8.2.1 and 8.2.2 shall not apply to any Deliverables, materials or oral statements, or any components of such, to the extent that Deliverables, materials or oral statements or any components of such are based solely upon information or the technical expertise provided by Red Cross.

8.3 Each Party agrees that:

8.3.1 It is organized, validly existing and in good standing under the Regulations of the jurisdiction in which it was organized,

8.3.2 this Contract, when executed and delivered by it, will be the legal, valid and binding obligation of it, enforceable against it in accordance with its terms,

8.3.3 the execution, delivery and performance of this Contract by it do not and will not (i) conflict with, or constitute a breach or default under its incorporation documents or any material agreement, contract, commitment, or instrument to which it is a party or (ii) require the consent, approval or authorization of, or notice, declaration, filing or registration with, any third party or any governmental or regulatory authority, and

8.3.4 it has not previously granted and will not grant any rights to any third party (including a subcontractor of Contractor) which are inconsistent with the rights granted herein.

9.0 OWNERSHIP OF MATERIALS / INTELLECTUAL PROPERTY

Contractor, in providing Services hereunder, will develop work product specifically for Red Cross ("Custom Deliverables"). Contractor acknowledges and agrees that the Custom Deliverables shall constitute a "work made for hire" under all relevant copyright laws (e.g. 17 U.S.C. § 101), and that Red Cross shall own in perpetuity the Custom Deliverables, throughout the world, including without limitation all copyrights (and any renewals and extensions thereof), and the exclusive, perpetual right, throughout the world, to use, advertise, exhibit, distribute and/or otherwise exploit Custom Deliverables in any and all media and manners, whether now known or hereafter devised. If, for any reason, the Custom Deliverables shall be deemed not to be a work made for hire, this Contract shall constitute an irrevocable assignment to Red Cross and its successors and assigns of any and all of Contractor's right, title and interest thereto, including without limitation any and all worldwide copyrights and any and all renewals and extensions thereof and for all uses and purposes whatsoever. Contractor hereby agrees to provide all assistance reasonably requested by Red Cross in the establishment, preservation and enforcement of its copyright in such Custom Deliverables, such assistance to be provided without any additional compensation to Contractor. For example, Contractor agrees

to execute any assignment documents Red Cross may require confirming Red Cross's ownership of the results and proceeds hereunder. Notwithstanding the foregoing, this paragraph shall not be deemed to transfer or assign to Red Cross the copyright in any work product developed by or for Contractor (a) through engagements with Contractor's other clients, or (b) otherwise independent of Contractor's relationship with Red Cross (all such work product referred to herein as "Contractor Works"). By way of example and not limitation, Contractor Works include media training materials and the public assessment workbook. Contractor shall not include Contractor Works in any Deliverables that are intended to be used by Red Cross outside of the Red Cross to an external audience, by way of example and not limitation, talking points, key messages and speeches. If any Contractor Works are included in Custom Deliverables, Red Cross is hereby granted a non-exclusive, perpetual, world-wide, royalty free license to use such Contractor Works for Red Cross's internal purposes only. If Red Cross wishes to disseminate any Contractor Works that are included in Custom Deliverables external to Red Cross (e.g., to the public generally, to Red Cross's customers or Red Cross's other vendors), Red Cross shall obtain the prior written consent of Contractor. If Red Cross furnishes any work product for Contractor to use for purposes of this Contract, Red Cross represents and warrants to Contractor that Red Cross has all rights, titles and interests necessary for Contractor to use such work product, and Contractor represents and warrants that Contractor shall not use such work product for any purpose other than in Contractor's performance under this Contract.

10.0 INTENTIONALLY OMITTED

11.0 INTENTIONALLY OMITTED

12.0 INDEPENDENT CONTRACTOR

Contractor is furnishing its Services hereunder as an independent contractor, and nothing herein creates any association, partnership or joint venture between the parties hereto or any employer-employee relationship.

13.0 INDEMNITY AND HOLD HARMLESS

13.1 Contractor agrees to, defend, indemnify and hold harmless the Red Cross, its governors, officers, directors, agents, employees, volunteers and their respective successors and assigns (the "Red Cross Indemnitees" or individually referred to as a "Red Cross Indemnitee") from and against all losses, liabilities, suits, claims, costs, expenses (including reasonable attorneys' fees and court costs) demands, fines, penalties, judgments, damages and causes of action that are asserted or claimed against Red Cross Indemnitees, or incurred by the Red Cross Indemnitees, (except to the extent caused by the negligence of any Red Cross Indemnitees) that; (i) arise from, or is attributable to, any act or omission of Contractor, its subcontractors or material suppliers (at any tier) or their respective directors, officers, employees and agents in connection herewith, or; (ii) result from any breach or violation by Contractor, its directors, officers, employees or agents of any representation, warranty or covenant made herein or (iii) involve an allegation of infringement of any patent, trademark, copyright, or other intellectual property, right or trade secret of a third party as well as any allegation of libel, slander, invasion of privacy, or any failure to obtain a necessary release, permission or clearance, or any other cause of action or claim arising out of the materials and elements provided by Contractor under this Contract, provided that such indemnification shall not be applicable to any losses, liabilities, suits, claims, costs, expenses (including reasonable attorneys' fees and court costs) demands, fines, penalties, judgments, damages or causes of action arising from (a) any materials, elements or oral statements that were prepared by or made by Contractor to the extent such materials, elements or oral statements were solely based upon information provided by any Red Cross Indemnitee; or (b) conduct or statements made under the direction of and with the prior consent of any Red Cross Indemnitee. If Red Cross furnishes any work product or materials for Contractor to use for purposes of this Contract, Red Cross warrants to Contractor that Red Cross has all rights necessary for Contractor to use such work product or materials and such work product or materials shall not infringe any patent, trademark, copyright or other intellectual property, right or trade secret of a third party nor libel, slander or invade the privacy of any third party.

13.2 Contractor will be liable at all times for damages to or destruction of Contractor's equipment and materials, including the loss of use thereof, regardless of how such damage or destruction occurs. The Red Cross will be under no liability to reimburse Contractor for any such loss or damage thereto, and Contractor waives any right of subrogation against the Red Cross for such loss or damage. If Contractor insures its equipment and materials against physical loss or damage, then Contractor agrees to secure, if required in such insurance, a waiver of subrogation in favor of the Red Cross.

14.0 INSURANCE

14.1 Contractor will maintain the following insurance policies in full force and effect for the term of this Contract and thereafter for not less than one (1) year:

14.1.1 a Commercial General Liability policy endorsed to include Products and Completed Operations Liability and Personal & Advertising Injury Liability with the Red Cross Indemnitees as additional insureds; the amount of the policy will be at least \$1,000,000 combined single limit for each occurrence and; this will be written on an occurrence form (not "claims made form");

14.1.2 a Professional Liability Insurance policy (Errors and Omissions Insurance) in an amount not less than \$1,000,000 each claim insuring claims arising from performance of Services to the Red Cross as defined in this Contract and related material, including, but not limited to, coverage for all expenses, including attorney's fees, incurred in the investigation, negotiation, arbitration, and defense of any suit or claim for damages including lost earnings of the Red Cross;

14.1.3 an auto liability policy including coverage for owned, non-owned and hired vehicles and uninsured and under-insured motorists coverage in an amount not less than \$1,000,000 with the Red Cross Indemnitees as additional insureds; and

14.1.4 a Workers' Compensation policy covering all employees provided under this Contract and having statutory limits for each jurisdiction where the work required under this Contract is performed, and an Employers' Liability policy with at least the following limits, \$250,000 per accident, \$500,000 per disease and \$250,000 per disease (each employee).

14.2 Contractor will, at its sole expense, keep in force valid and enforceable policies of insurance as specified in this Contract and as required by statute, with carriers currently rated by A.M. Best at A+10 or higher and licensed in the states in which the work of this Contract is being carried out, and such policies will be written as primary policy coverage and not contributing with, or in excess of any insurance coverage which the Red Cross may maintain. Contractor will provide the Red Cross with such certificates of insurance evidencing all of the above coverages and conditions (types and amounts) prior to the commencement of work, and renewal certificates within ten days of expiration or non-renewal of the policies required; in the "Cancellation Clause" the certificate will provide for not less than thirty (30) days prior written notice to the Red Cross of non-renewal of policies, cancellation or material change in the coverage provided which reduces the amount, terms or conditions below that required herein, prior to the date of such non-renewal, cancellation or change.

15.0 CONFIDENTIALITY; TRADE NAMES; LOGOS

15.1 For the purposes of the Contract, confidential information includes the terms and conditions of this Contract, all information provided to or by the Contractor and such other information identified as confidential prior to disclosure ("Confidential Information").

Contractor acknowledges and agrees to hold all Confidential Information in the strictest confidence as a fiduciary and will not make any press release or public announcement of this Contract, or voluntarily sell, transfer, publish, disclose, display or otherwise make available to any third persons such Confidential Information or any portion thereof without the express written consent of the Red Cross. Contractor will use its best efforts to protect the confidentiality of all such information consistent with the manner in which it protects its most confidential business information.

15.2 Contractor will not permit or generate any publicity, advertising or promotion concerning this Contract, the Services or Deliverables provided to the Red Cross or any aspect of Contractor's relationship with the Red Cross without the prior written consent of the Red Cross. Contractor recognizes that the name, emblem, logo and marks of the Red Cross represent valuable assets and that substantial recognition and goodwill are associated with such assets. Contractor will not use the name, emblem, logo, or marks of the Red Cross without the prior written consent of the Red Cross.

15.3 Each of the Parties acknowledges that a violation of this Article would cause irreparable harm to the other Party for which no adequate remedy at law exists and each Party therefore agrees that, in addition to any other remedies available, and notwithstanding any other provision of this Contract, the aggrieved Party will be entitled to injunctive relief to enforce the terms of this Article. The prevailing Party will be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred because of any legal action arising in relation to this Article.

16.0 CONFLICT OF INTEREST

16.1 Vendor represents that there are no conflicts of interest arising from the Services to be provided pursuant to this Contract. Vendor will immediately notify Red Cross if any potential or perceived conflict arises. Red Cross reserves the right to terminate this Contract in accordance with Section 5.6 without cost to Red Cross if Red Cross determines that a conflict exists.

16.2 Contractor will immediately notify the Red Cross whenever any non-Red Cross customer or client requests or receives any information, professional advice, representation or assistance regarding the Red Cross, whether or not the inquiry is related to the Services provided under this Contract.

17.0 DISPUTES

Any dispute between the parties arising out of or relating to this Agreement or in any way relating to the parties' relationship which cannot first be resolved in the ordinary course of business, shall be submitted to mediation prior to the filing of a lawsuit or other legal proceeding. Mediation shall be conducted in accordance with nationally accepted rules of mediation, and the costs of mediation shall be equally shared by the parties unless otherwise agreed. The selection of the mediator shall be agreed upon by mutual consent of the parties; provided, that if the parties are not able to agree on a mediator within forty-five (45) days after the first request for mediation, then a mediator will be appointed in accordance with nationally accepted rules and procedures governing mediation then in affect at the time of the dispute. The parties will participate in good faith in the mediation. Each party agrees to keep all disputes and negotiation and mediation proceedings strictly confidential, except for disclosures of information to legal counsel or required by applicable law. The obligations undertaken herein by the parties shall survive and continue after the expiration/termination of this Agreement

18.0 GOVERNING LAW – Intentionally Omitted

19.0 ASSIGNMENT AND SUBCONTRACTING

19.1 This Contract may not be assigned by either Party without the express prior written consent of the other Party. Any attempted assignment without such consent will be null and void and of no effect.

19.2 Contractor may not subcontract the Services without the prior written consent of the Red Cross. Any attempt to subcontract without such consent will be null and void and of no effect. In the event the Red Cross approves Contractor's use of a subcontractor, Contractor must comply with the terms and conditions of Attachment B.

20.0 EQUAL EMPLOYMENT OPPORTUNITY

In connection with the performance of work under this Contract, the Contractor will not discriminate against any employee or applicant for employment because of age, disability, race, religion, color, national origin, sex or any other characteristic protected by the Regulations. The Contractor agrees to abide by all federal, state and local employment and labor law notice posting requirements.

21.0 ENTIRE AGREEMENT AND MODIFICATIONS

This Contract constitutes the entire agreement between the Parties as to the subject matter hereof and supersedes all prior verbal and written agreements. There will be no amendment, modification or waiver of any of the terms and conditions hereof unless in writing and executed by both Parties. Any prior verbal, written agreements, and proposals are not considered a part of this Contract.

22.0 INTERPRETATION

22.1 Unless otherwise specified, all references to "days" are to calendar and not business days.

22.2 The preamble and Attachments to this Contract (as applicable) and the terms and conditions incorporated therein are integral parts of this Contract. All references herein to this Contract encompass such preamble and Attachments (as applicable) and the terms and conditions incorporated therein.

22.3 Unless otherwise explicitly stated, in the event of any conflict between the terms of the articles of this Contract and the terms of any of the attachments hereto (as applicable), the terms of this Contract govern. In the event of a conflict between the terms and conditions of this Contract and any terms and conditions that may be set forth in any order, proposal, request for proposal, invoice, verbal agreement or otherwise, the terms and conditions of the articles of this Contract govern.

23.0 SEVERABILITY

This Contract was drafted with the intent of complying with the Regulations and to the extent possible, will be interpreted in such manner as to be effective and valid under such Regulations. If any provision in this Contract is in clear violation of the Regulations, such provision will be unenforceable and removed from this Contract, with the other provisions remaining in full force and effect. In the event of such removal, the Parties will promptly negotiate in good faith, a lawful, valid and enforceable provision that is as similar as possible to the original provision. If the Parties are in conflict over whether a provision is in compliance with the Regulations, the disputing Party may immediately invoke the procedure set forth in Article 17.0.

24.0 CONTACTS AND NOTICES

24.1 The Red Cross Administrative Representative is Carrie Martin, (202) 303-4459, martinc@usa.redcross.org ("AR"). The AR is responsible for working with Contractor, reviewing, approving and accepting Contractor's provision of Services and Deliverables, certifying Contractor's invoices for payment and the overall monitoring of this Contract.

24.2 The Red Cross Contracting Officer is Cathy Colbert, (202) 303-8202, colbertc@usa.redcross.org ("Contracting Officer"). The Contracting Officer is responsible for all administrative contractual matters and is the only Red Cross personnel permitted to modify this Contract or contractually commit the Red Cross.

24.3 Contractor designates Darry Sragow, Managing Director, (415)678-2794, dsragow@pstrategies.com as the contact for all administrative and customer service matters related to this Contract.

24.4 All notices provided for in this Contract will be in writing, duly signed by the Party giving such notice, and delivered, mailed by registered or certified U.S. mail or sent by a nationally recognized overnight delivery service, as follows:

To Red Cross: Cathy Colbert, CO
2025 E Street, NW
Washington DC 20006

CC: Attn: Office of the General Counsel

To Contractor: Darry Sragow, Managing Director
111 Pine Street
Suite 911
San Francisco, CA 94111

CC: Manuel Azuara
Chief Financial Officer
98 San Jacinto Blvd

SFC-ARC-D000840

Suite 900
Austin, TX 78701

25.0 TAX EXEMPTION

The Red Cross is a not-for-profit, charitable corporation, exempt from the payment of federal excise taxes and state sales and use taxes. Contractor is responsible for requesting from the Red Cross any tax exemption numbers or certificates needed by Contractor.

26.0 RED CROSS PROPERTY

Contractor will use reasonable care to avoid damaging existing buildings, equipment, and property at Red Cross sites ("Red Cross Real or Personal Property"). If Contractor damages Red Cross Real or Personal Property, it will replace or repair such Red Cross Real or Personal Property at no expense to the Red Cross, as directed by the Red Cross. If Contractor fails or refuses to make such repair or replacement, Contractor will be liable for the cost of such repair or replacement, which cost may be offset against payments due Contractor.

27.0 NONSOLICITATION

During the Term of this Agreement and for a period of one year after its termination, Red Cross will not for its purposes or on behalf of any party, employ, take away or attempt to employ or take away any Consultant's employee, unless Red Cross has received the prior written approval of Consultant.

The Parties, acting through their duly authorized officers, have executed this Contract as of the Effective Date.

THE AMERICAN NATIONAL RED CROSS

Cathy Colbert

SIGNATURE/DATE

CATHY COLBERT 2-17-04

PRINTED NAME

Contracting Officer

TITLE

PUBLIC STRATEGIES, INC.

Meredith Marks

SIGNATURE/DATE

Meredith Marks 2/12/04

PRINTED NAME

CEO

TITLE

Travel Reimbursement Policy for American National Red Cross Contractors And Consultants

Because The American National Red Cross (Red Cross) is supported by generous donations from the American public, contractors/consultants are required to limit their travel expenditures to levels that are commensurate with the charitable objectives of Red Cross.

The purpose of the following policy statement is to ensure that all contractors/consultants are reimbursed in a fair and equitable manner for all reasonable expenses that are incurred while traveling on behalf of Red Cross.

All expenses incurred by contractors/consultants while performing contracted services for Red Cross must be reasonable, actual (no-mark-up) and must be pre-approved by Red Cross in order for the contractor/consultant to receive reimbursement from Red Cross. All expenses must be separately invoiced to Red Cross. Receipts must be submitted for all expenses above \$25. Note: Contractors/consultants are not to use any Red Cross forms when seeking reimbursement.

Contractor/consultants are strongly encouraged to use the Red Cross travel agent (WorldTravel BTI) to book all pre-approved travel (air, rail, car, and hotel) when WorldTravel BTI offers the lowest price. WorldTravel BTI maybe reached at 877-292-9466.

Air/Rail Travel

Red Cross strongly encourages contractors/consultants who are traveling on business pursuant to a contract with Red Cross use WorldTravel BTI to book travel. WorldTravel BTI will make reservations for a contractor/consultant travel at the lowest logical airfare. The contractor/consultant should compare ticket costs between what they can obtain from their corporation and WorldTravel BTI and use the least expensive airfare.

Air/rail charges booked through WorldTravel BTI must be placed on the contractor's/consultant's credit card. All air/rail tickets issued through WorldTravel BTI are subject to a \$41.04 transaction fee. There are no transaction fees for information calls, schedules, or for air/rail, car, hotel reservations.

Authorized Class of Service

Domestic

All domestic travel must be in Coach Class.

International

The most economical route must be utilized for all international travel. Red Cross contractor/consultants may upgrade from coach/economy to business class between the "international gateway" and their destination if the uninterrupted travel time from travel origin to first or next business destination exceeds eleven (11) hours or more and the business class travel is pre-approved by the Red Cross.

Lowest Logical Air Fare

SFC-ARC-D000842

Contractors/consultants will be reimbursed using the lowest logical airfare. The "lowest logical airfare" is defined as the least costly airfare that uses a regularly scheduled commercial aircraft, using the following parameters:

- routing requires no more than one additional stop over or connection each way;
- departure/arrival must be no more than 2 hour(s) before or after requested time for flights;
- penalty and non-refundable fares must be used, and booked as soon as travel plans are firm. Timing is vital, as substantial savings are available on tickets purchased at least seven (7) to (21) days in advance.

and

- Contractors/consultants may elect to fly a non-stop flight provided that the additional cost is no more than \$100.00 USD per direction of travel.

Contractors/consultants should also consider taking advantage of savings opportunities that can be obtained using alternate regional airports.

Lodging

Within the Washington metropolitan area

Contractors/ consultants, who are traveling to the Washington, DC area on business pursuant to a contract with the Red Cross must call WorldTravel BTI and reserve rooms at one of the following hotels depending on the location of the place of performance of the services:

Jefferson Park Assignment 8111 Gatehouse Rd., Falls Church VA 22042

Hotel	Rate	Location	Distance from Red Cross office
Residence Inn Marriott	\$119.00 - \$159.00/night*	8125 Gatehouse Rd, Falls Church VA	Next door
Doubletree Tyson's Comer	\$119.00/night	7801 Leesburg Pike, Falls Church VA	1 mile
Homewood Suites	\$119.00/night	8130 Porter Rd, Falls Church VA	1/4 mile

* rate is based on length of stay. Longer stays or extended stays may be eligible for the lower rate of \$119.00

Rosslyn

Hotel	Rate	Location	Distance from Red Cross office
Hyatt Arlington	\$145.00/night	1325 Wilson Blvd., Arlington VA	4 blocks
Keybridge Marriott	\$154.00/night	1402 Lee Highway, Arlington VA	4-6 blocks

SFC-ARC-D000843

Red Cross Square

Hotel	Rate	Location	Distance from Red Cross office
Wyndham City Center	\$119.00 - \$139.00/night	1143 New Hampshire Ave. NW, Washington DC	< 10 blocks
State Plaza Hotel	\$135.00/night	2117 E St. NW, Washington DC	4 blocks
Madison Hotel	\$119.00- \$160.00/night*	15th and M Streets, NW Washington DC	10 blocks

* based on season

Outside the Washington Metropolitan Area

When traveling to a city where Red Cross has preferred hotels, WorldTravel BTI will book the contractor/consultant at the Red Cross preferred hotel. In the event that there is not a Red Cross preferred hotel, WorldTravel BTI will reserve rooms for the contractor/consultant using the Federal per diem as a guideline.

Meals

As with other business travel expenses, reimbursement for meals must be supported by adequate documentation including:

- Name(s), company affiliation(s) and business relationship(s) of all persons in attendance
 - Business purpose of meeting and nature of items discussed
 - Original, itemized receipts

Personal Meal Expenses - Personal meals are defined as reasonable meals incurred by the traveler when dining alone while on providing services for Red Cross.

Maximum Meal Reimbursement Guidelines - The actual cost of meals, including tips and taxes should generally not exceed \$40.00 per day. The following guidelines must be used:

- Breakfast \$8.00
- Lunch \$12.00
- Dinner \$20.00

Ground Transportation

Contractors/consultants who are traveling on business pursuant to a contract with Red must use the most economical and practical mode of transportation, giving due consideration to factors such as scheduling and distance, in addition to cost. Ground transportation should be shared whenever possible. In all cases, receipts are required for reimbursement.

To/From Airports and Terminals: Contractors/consultants should use the most economical mode of transportation to/from airports, rail terminals, and bus terminals.

Contractors/consultants should seek to use the following methods of local transportation:

SFC-ARC-D000844

- buses and subways (before taxis)
 - Red Cross shuttle services
- hotel and airport shuttle services

Rental Cars: Contractors/consultants may rent a car when other forms of transportation are impractical, more expensive, or not available. When traveling in groups, travelers must share cars.

- Rental Car Categories: Red Cross will reimburse Car rentals up to and including mid-size.
- Refueling: To avoid excessive refueling charges at the rental company, cars should be returned to the car rental agency with a full tank.

Personal Vehicles: Personal vehicles should only be used when it is the most economical means of travel taking into account the extra time and expense involved when using a personal car for long distance travel (e.g., additional nights lodging, meals, mileage, etc.) versus the cost of air fare (the lowest applicable fare between the two points of travel), car rental fees, lodging, meals.

When driving on Red Cross business pursuant to a Red Cross contract, the contractor/consultant must carry a valid driver's license, vehicle registration, and proof of insurance.

- Mileage: Mileage is billed at the standard rate published by the IRS. Once at the Red Cross site or place of performance, local travel will not be reimbursed.

Miscellaneous

Phone Calls: Only long distance phone calls directly related to services provided under the Contract will be reimbursed.

Any other expenses must be pre-approved by Red Cross.

A \$10.00 transaction fee will be assessed each time a call is made to WorldTravel BTI's emergency number.

Red Cross reserves the right to amend, revise, or modify this policy at any time for any reason, with or without notice.

ATTACHMENT B
SUBCONTRACTING CONDITIONS

1. Contractor must ensure that all subcontractors approved by the Red Cross are bound by the terms of this Contract. Subcontractors must assume all obligations and responsibilities that the Contractor assumes toward the Red Cross.
2. Prior to the execution of any subcontract agreement, the Contractor must make available to each approved subcontractor a copy of this Contract to which the subcontractor will be bound. For purposes of any subcontracts entered into pursuant to this Attachment B, the term "Contractor," as used in this Contract, will mean subcontractor, and the term "Red Cross" as used in this Contract, will mean Contractor, unless specified otherwise herein.
3. Each subcontract agreement must preserve and protect the rights of the Red Cross with respect to the Services provided by Contractor. Subcontractors must enter into similar agreements with its sub-subcontractors. The Red Cross retains the unrestricted right to review all subcontract agreements, or other documents pertaining to the retention of any subcontractor at any tier, for performance under this Contract, prior to the execution of such subcontract or other agreement.
4. The Contractor hereby assigns each subcontract agreement to the Red Cross in the event of a termination of such subcontract agreement provided that the Red Cross accepts such assignment by notifying the subcontractor in writing. Contractor must expressly provide for such assignment in all of its subcontract agreements.
5. The Contractor must require each Red Cross-approved subcontractor, if any, to procure and maintain insurance of the types and amounts required of Contractor in favor of Red Cross as required by this Contract. In addition, the subcontractors must sign the hold harmless agreement identical to that contained in this Contract, in favor of Red Cross.
6. Contractor agrees to include a provision in each of its subcontracts that allows the Red Cross or its designees access to any books, documents, papers or other records of the subcontractors related to this Contract for examination, for a period of two (2) years after the termination or expiration of this Contract.
7. Nothing in this Contract will be deemed to entitle subcontractors, materialmen or lower-tier subcontractors rights as third-party beneficiaries of this Contract. Notwithstanding any statement to the contrary, at all times, Contractor is responsible for all acts and/or omissions of its subcontractors.

Request for Proposal

Submitted by: Carrie Martin 202-303-4459

Project: Senior Leadership Branding Project

Contractor: TBD

Date: September 10, 2003

Statement of Work/Need:

The purpose of this request is to secure a proposal with a public relations agency to assist the American Red Cross with the following activities:

- Branding Marsha J. Evans as the "face" of the American Red Cross.
- Elevating the nationwide visibility and awareness of its president and CEO, Marsha J. Evans.
- Providing strategic PR guidance and recommendations.
- Securing national media opportunities.
- Securing national speaking engagements at premier venues.
- Building relationships with corporations, foundations and executives, resulting in increased funding to the organization.

List of services/deliverables to be provided by the vendor:

(Please provide firm fixed fee for services/deliverables)

1. Strategy
Coordinate with American Red Cross public relations staff to create and implement a strategy/plan for Marsha J. Evans, making her the "face" of the Red Cross. Make sure this strategy is aligned with organizational public relations plan.
2. Media Relations
Secure at least two national media opportunities a month including but not limited to morning show appearances, cable/network news, talk shows, print publications, online media, etc.
3. Influential Groups
Secure public speaking opportunities (at least one a month) with influential groups at premier venues.
4. Writing
Develop key messages, talking points, press releases and media advisories in association with media appearances/speaking engagements.

SFC-ARC-D000847

9/17/2003

Proposed PR Agencies to Submit Proposal:

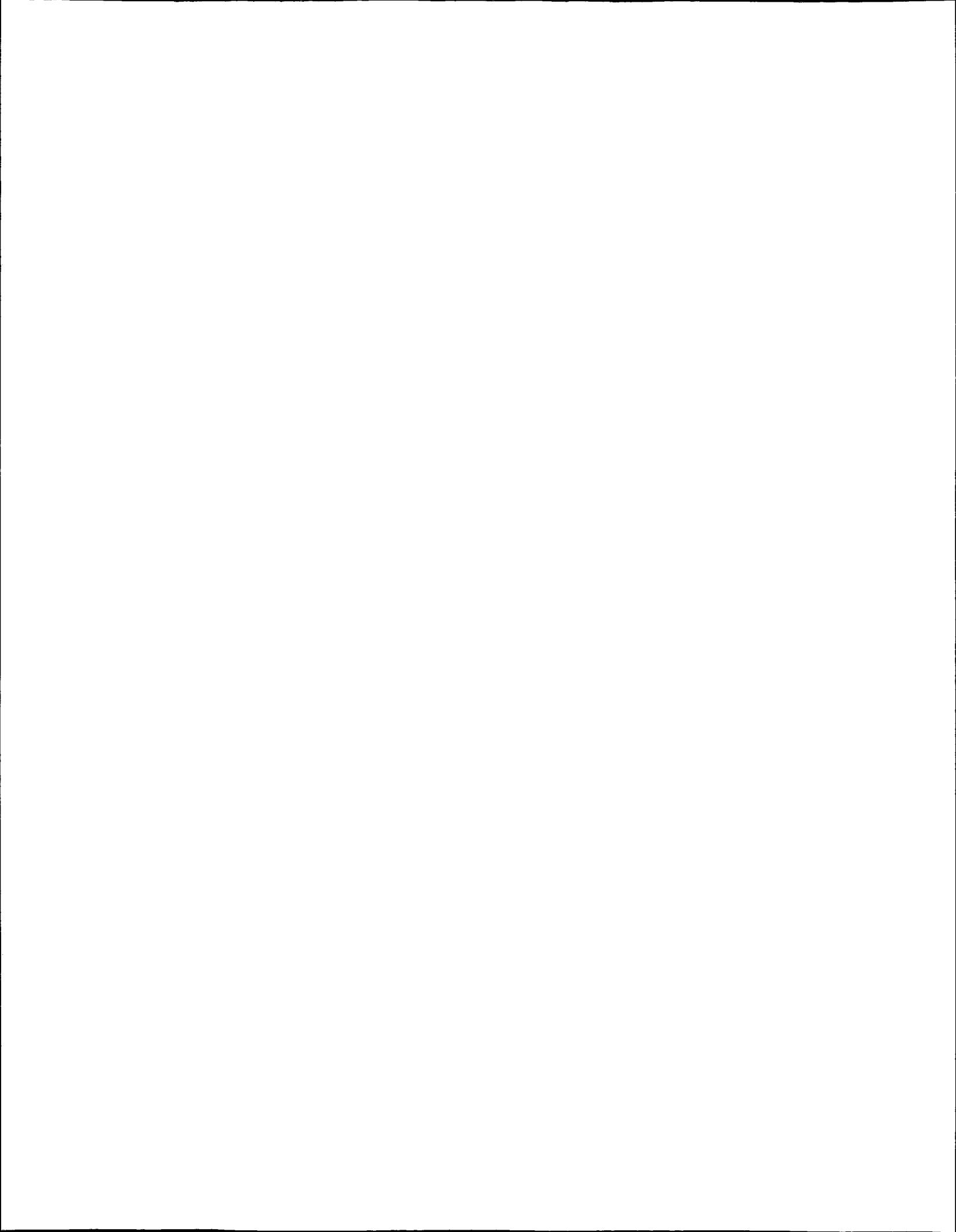
Ogilvy Public Relations Worldwide
Mr. Steve Grant
1901 L St., NW
Washington, D.C.
202-452-9527
Steven.grant@ogilvypr.com

Hyde Park Communications
Jeffrey Sandman
1101 17th St., NW
Suite 508
Washington, DC 20036
202-872-4860
jsandman@hydeparkcomm.com

PSI
Contact Information TBD

SFC-ARC-D000848

9/17/2003



STANDARD

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American Red Cross
Office of the President
2025 E Street NW
Washington, DC 20006

BERENSON COMMUNICATIONS INCORPORATED
1010 MASSACHUSETTS AVENUE NW
SUITE 100
WASHINGTON, DC 20001

American Red Cross
Office of the President
2025 E Street NW
Washington, DC 20006

N202 682-0503

1140642 02-DEC-03 Brand, S
704-943-6907

30-SEP-04 Brand, S
05-DEC-03

NET 45

Many

MAIN, (202) 546-2020

I. Purpose: To provide media consulting services in support of the Office of the President in accordance with the terms and conditions contained in the attached Contract dated October 20, 2003.

II. Term: October 20, 2003 - June 30, 2004.

CPA amended to add funds in the amount of \$30,000 and extend term of Contract through June 30, 2005 to cover additional Services in accordance with the terms and conditions contained in the attached Addendums Number 1 & 2. Contract has been reassigned from the President's Office to the Communications & Marketing Department.

CC 9/21/04

1 Your #: FY04 30-JUN-04 15,000.00 N
MEDIA COACHING & MESSAGE DEVELOPMENT
~~This PO line references contract #:~~ 186913

DELIVER TO: Douglas, Cheryl D (15000)

2 Your #: FY05 30-JUN-05 30,000.00 N
MEDIA TRAINING & MESSAGE DEVELOPMENT
FOR SENIOR LEADERSHIP
06/30/05
This PO line references contract #: 186913

DELIVER TO: Scott, Patty G (30000)

45,000.00

American Red Cross

Contract Requisition Form

Department/Division: Communication and Marketing	Contract Type <input type="checkbox"/> Firm Fixed Price <input type="checkbox"/> Blanket Purchase Agreement <input type="checkbox"/> Task Order <input type="checkbox"/> Indefinite Delivery Indefinite Quantity (IDIQ) <input type="checkbox"/> Task Against Contract #:
Requester: Patty Scott for Deborah Daley	
Phone #: 202-303-4442 Ext:	
Requisition #:	
Date: 09/16/04	

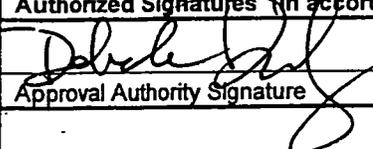
Ship-To Information				Bill-To Information			<div style="border: 1px solid black; padding: 5px; text-align: center;"> PURCHASING SEP 17 2004 </div>		
Company/Name: American National Red Cross				Company/Name:					
Address 2025 E Street, NW				Address					
ATTN: Patty Scott				ATTN:					
City	State	Zip Code	Country	City	State	Zip Code	Country		
Washington	DC	20006	USA						

Supplier Information <input type="checkbox"/> Regulated Services <input type="checkbox"/> Approved Supplier <input type="checkbox"/> *Competed <input type="checkbox"/> * Sole Source (* See instructions, pg 2)					
Supplier Name: Bererson Communications, Inc.			Tax ID # (SSN if individual):		
Address			Contact Name		Contact Phone #:
1010 Massachusetts Aveune, NW			Jennifer I. Chemoff		202-546-2020
City	State	Zip Code	Country	Contact FAX #:	Contact E-mail:
Washington	DC	20001	USA	202-682-0503	

Special Instructions			
<input checked="" type="checkbox"/> Amendment to Contract # 186913	<input type="checkbox"/> Cancellation to Contract #	<input type="checkbox"/> Check Required with Contract	<input type="checkbox"/> PO Close
<input type="checkbox"/> Close PO Line #			

Description of Services:
 Amend contract to include media training and message development service for Senior Leadership. Services will be requested on as needed basis which will be determined by Communication and Marketing.

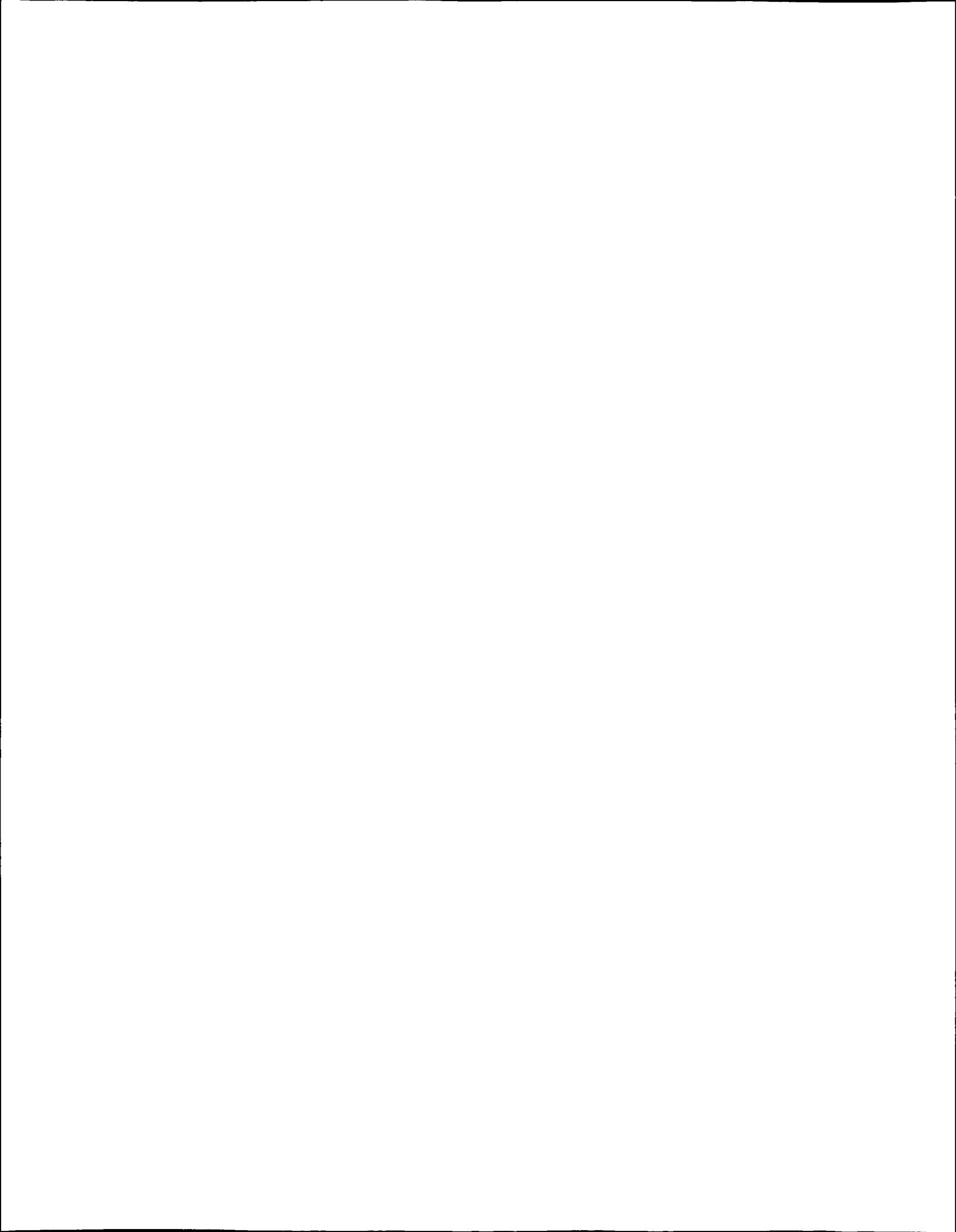
Payment Information			
PO/Invoice Match Request: <input type="checkbox"/> 2-Way <input checked="" type="checkbox"/> 3-Way			
Not to Exceed Amount: \$30,000.00		Term of Contract: 6/30/2005	
Instructions: Indicate payment by Fiscal Year:			
Fiscal Year	Dollar Amount	Description/Item	Account Code
FY05	\$30,000.00	See above description	011-24810-00-0000-59990-0000
	\$		
	\$		NEW CODING
	\$		

Authorized Signatures (In accordance with Appendix C.I, FMPP ARC 4500)		
	Deborah Daley, Vice President, Communication and Marketing	9/17/2004
Approval Authority Signature	Print or Type Name and Title	Date
	[Technical Concurrence Name and Title]	
Technical Concurrence Signature	Print or Type Name and Title	Date

Mail Completed form to:
 American Red Cross
 National Contracting Office, 8th floor
 2025 E street, NW
 Washington, D.C. 20006

If this contract is signed by a COTR, mail completed form to:
 American Red Cross
 National Purchasing Office
 600 A Forest Point Circle
 Charlotte, NC 28213

SFC-ARC-D000850



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N N 180590 3 1

American Red Cross
Communications & Marketing-E
2025 E Street NW
Washington, DC 20006

PFA LLC
451 GREENWICH STREET
SUITE 503
NEW YORK, NY 10013

American Red Cross
Communications & Marketing-E
2025 E Street NW
Washington, DC 20006

N212 334-6336
1136446 30-SEP-03 Brand, S 13-OCT-04 Brand, S
704-943-6907 13-OCT-04

NET 30

Many FREUNDLICH, (212) 334-6116

I. Purpose: To provide Celebrity Recruitment Services in support of the American National Red Cross Communications/Marketing Department in accordance with the terms and conditions contained in the attached Contract.

II. Term: September 15, 2003 through March 15, 2004.

#####

CPA amended to add funds in the amount of \$70.02 to cover invoices in accordance with the request received from Patty Scott dated June 16, 2004. CC 6/17/04

#####

Contract amended to increase dollar amount by \$66,000 and extend contract period from July 5, 2004 through June30, 2005. Contract amended on July 26, 2004.

MF
9/30/04

1 Your #: FY04 15-MAR-04 60,000.00 N
CELEBRITY RECRUITMENT FOR 2004
CELEBRITY CABINET
This PO line references contract #: 178179

DELIVER TO: Bonistalli, Rachel M. (60000)

Continued

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American Red Cross
Communications & Marketing-E
2025 E Street NW
Washington, DC 20006

PFA LLC
451 GREENWICH STREET
SUITE 503
NEW YORK, NY 10013

American Red Cross
Communications & Marketing-E
2025 E Street NW
Washington, DC 20006

N212 334-6336
1136446 30-SEP-03 Brand, S
704-943-6907

13-OCT-04 Brand, S
13-OCT-04

NET 30

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FREUNDLICH, (212) 334-6116

2 Your #: FY04 15-MAR-04 6,000.00 N
OUT OF POCKET EXPENSES
This PO line references contract #: 178179

DELIVER TO: Bonistalli, Rachel M. (6000)

3 Your #: FY05 30-JUN-05 60,000.00 N
MONTHLY FEE FOR CELEB
CABINET RECRUIT/MAINT SERVICES
07/05/04-06/30/05
This PO line references contract #: 178179

DELIVER TO: Whitmer, Juliana Thurmond (60000)

4 Your #: FY05 30-JUN-05 6,000.00 N
LIMIT OUT OF POCKET EXPENSES
PER MONTH FOR SERVICES
07/05/04-06/30/05
This PO line references contract #: 178179

DELIVER TO: Whitmer, Juliana Thurmond (6000)

132,000.00

Department/Division: Comm & Mktg/NHQ	Contract Type	
Requester: Julie Whitmer	<input type="checkbox"/> Firm Fixed Price	<input type="checkbox"/> Blanket Purchase Agreement
Phone #: 202/303-4221 Ext:	<input type="checkbox"/> Task Order	<input type="checkbox"/> Indefinite Delivery Indefinite Quantity (IDIQ)
FAX #: 202.303.0044	<input checked="" type="checkbox"/> Task Against	
Date: 07/28/04	Contract #: 178179	

Ship-To Information				Bill-To Information			
Company/Name: Paul Freundlich Associates (PFA)/Paul Freundlich				Company/Name: American Red Cross/Julie Whitmer			
Address 451 Greenwich Street, #503 New York, NY 10013				Address 2025 E Street, N.W. - 8 th Floor Washington, DC 20006			
ATTN: Paul Freundlich				ATTN: Julie Whitmer			
City New York	State NY	Zip Code 100??	Country U.S.A.	City Washington	State DC	Zip Code 20006	Country U.S.A.

Supplier Information <input type="checkbox"/> Regulated Services <input checked="" type="checkbox"/> Approved Supplier					
Supplier Name: Paul Freundlich Associates			Tax ID # (SSN if individual):		
Address 451 Greenwich Street, #503			Contact Name Paul Freundlich		Contact Phone #: 212.334.6116
City New York	State NY	Zip Code 10013	Country USA	Contact FAX #: 212.334.6336	Contact E-mail: paulf@pfamedia.net

Special Instructions			
<input checked="" type="checkbox"/> Amendment to Contract # 178179	<input type="checkbox"/> Cancellation to Contract #	<input type="checkbox"/> Check Required with Contract	<input type="checkbox"/> PO Close
<input type="checkbox"/> Close PO Line #			

Description of Services:
Contract for services to support the pitching, strategy and relationship management of the National Celebrity Cabinet for one year for the Celebrity & Relationship Outreach Unit.

Payment Information			
PO/Invoice Match Request: <input type="checkbox"/> 2-Way <input checked="" type="checkbox"/> 3-Way			
Not to Exceed Amount: \$66,000.00		Term of Contract: July 5, 2004 to June 30, 2005	
<i>Instructions: Indicate payment by Fiscal Year:</i>			
Fiscal Year	Dollar Amount	Description/Item	Account Code
2005	\$5,000.00 <i>60,000.00</i>	Monthly fee for Celeb Cabinet recruit. & maint. services	011.24830.00.0000-59990-0000
2005	\$500.00 <i>6,000.00</i>	Limit of Out-of-Pocket expenses per month for services	011.24830.00.0000-53130-0000
	\$		
	\$		
	\$		

Authorized Signatures (In accordance with Appendix C.I, FMPP ARC 4500)		
	Darren Irby, Vice President, Public Relations	
Approval Authority Signature	Print or Type Name and Title	Date
	Julie Whitmer, Director, Celebrity & Relationship Outreach	
Technical Concurrence Signature	Print or Type Name and Title	Date

Section I: Requestor Information

Requestor Name: Julie Whitmer Phone Number: 202.303.4221
 Requestor Title: Director
 Business Unit Name: Celebrity & Relationship Outreach
 Business Unit Address:
2025 E Street, N.W. - 8th Floor State: DC Zip code: 20006
Washington

Section II: Statement of Need

A service firm is needed to support the pitching, strategy and relationship management of the National Celebrity Cabinet for one year.

Section III: Estimated Cost

Estimated Cost (over the contract term): \$66,000.00

Section IV: Desired Effective Date and Duration of Contract

Effective Date: 7/5/04 Duration of Contract: 6/30/05

Section V: Potential Bidders or Sole Source Justification

Sole Source Justification - this form was filed previously as PFA has provided our support in this area for the past two years.

Sole source request concurrence:

Name: Darren Irby
 Title: Vice President, Public Relations

Section VI: Authorized Signatures

Concurrence Signature	Darren Irby, Vice President, Public Rel.	7/7/04
	Print or Type Name and Title	Date
Concurrence Signature		Date
Concurrence Signature		Date
Technical Concurrence Signature	Julie Whitmer, Director, Celeb & Relat Outreach	7/7/04
	Print or Type Name and Title	Date
Financial Approval Authority Signature		Date

SEND THE COMPLETED FORM TO THE NATIONAL CONTRACTING OFFICE (NCO) IF THE NCO WILL BE AWARDING THE PROPOSED CONTRACT. FOR PRESIDENTIAL APPROVALS ONLY, SEND THE FORM TO NCO AFTER THE COO/EVP HAS SIGNED; NCO WILL FORWARD TO THE PRESIDENT'S OFFICE FOR APPROVAL. IF THE CONTRACT WILL BE AWARDED BY A CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR) AT A BLOOD SERVICES REGION, SEND THE COMPLETED FORM TO THAT COTR.

NCO Awarded Contract, Send to:
 American Red Cross
 National Contracting Office, 8th Floor

STANDARD

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N 180590 1 1
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American Red Cross
Communications & Marketing-E
2025 E Street NW
Washington, DC 20006

PFA LLC
451 GREENWICH STREET
SUITE 503
NEW YORK, NY 10013

American Red Cross
Communications & Marketing-E
2025 E Street NW
Washington, DC 20006

N212 334-6336
1136446 30-SEP-03 Brand, S
704-943-6907

22-JUN-04 Brand, S
22-JUN-04

NET 30

Bonistalli, Rachel M. FREUNDLICH, (212) 334-6116

I. Purpose: To provide Celebrity Recruitment Services in support of the American National Red Cross Communications/Marketing Department in accordance with the terms and conditions contained in the attached Contract.

II. Term: September 15, 2003 through March 15, 2004.

1	Your #: FY04	15-MAR-04	36,000.00 N
	CELEBRITY RECRUITMENT FOR 2004		
	CELEBRITY CABINET		
	This PO line references contract #:	178179	
2	Your #: FY04	15-MAR-04	2,470.02 N
	OUT OF POCKET EXPENSES		
	This PO line references contract #:	178179	

38,470.02

American Red Cross

Contract Requisition Form

Department/Division: Communication and Marketing	Contract Type <input type="checkbox"/> Firm Fixed Price <input type="checkbox"/> Blanket Purchase Agreement <input type="checkbox"/> Task Order <input type="checkbox"/> Indefinite Delivery Indefinite Quantity (IDIQ) <input type="checkbox"/> Task Against Contract #:
Requester: Patty Scott for Rachel Bonistalli	
Phone #: 202-303-4442 Ext:	
FAX #: 202-303-0028	
Date: 06/16/04	

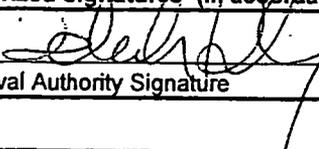
Ship-To Information				Bill-To Information			
Company/Name: American National Red Cross				Company/Name:			
Address: 2025 E Street, NW				Address:			
ATTN: Patty Scott				ATTN:			
City	State	Zip Code	Country	City	State	Zip Code	Country
Washington	DC	20006	USA				

Supplier Information <input type="checkbox"/> Regulated Services <input type="checkbox"/> Approved Supplier					
Supplier Name: PFA (Paul Freundlich Associates)			Tax ID # (SSN if individual):		
Address: 151 Greenwich Street, Suite 503			Contact Name: Paul Freundlich		Contact Phone #: 212-334-6116
City	State	Zip Code	Country	Contact FAX #:	Contact E-mail:
New York	NY	10013	USA	212-334-6336	paulf@pfamedic.nett

Special Instructions			
<input type="checkbox"/> Amendment to Contract #	<input type="checkbox"/> Cancellation to Contract #	<input type="checkbox"/> Check Required with Contract	<input type="checkbox"/> PO Close
<input type="checkbox"/> Close PO Line #			

Description of Services:
 Amend purchase order #180590 for additional \$70.02 for services rendered during June. The nte will be \$38,470.02.

Payment Information			
PO/Invoice Match Request: <input type="checkbox"/> 2-Way <input checked="" type="checkbox"/> 3-Way			
Not to Exceed Amount: \$38,470.02		Term of Contract: June 3, 2004	
<i>Instructions: Indicate payment by Fiscal Year:</i>			
Fiscal Year	Dollar Amount	Description/Item	Account Code
FY04	\$36,000.00	See description above	011-24700-00-9965-59990-0000
	\$		
	\$2,470.02		011-24700-00-9965-53130-0000
	\$		
	\$		

Authorized Signatures (In accordance with Appendix C.I, FMPP ARC 4500)		
	Deborah Daley, Vice President, Corp. Comm & Marketing	6/16/04
Approval Authority Signature	Print or Type Name and Title	Date
Technical Concurrence Signature	Print or Type Name and Title	Date

American Red Cross

Charlotte, NC 28241-0700
 P.O. BOX 410700
 National Purchasing Office

SUPPLIER: PFA LLC
 451 GREENWICH STREET
 SUITE 503
 NEW YORK, NY 10013

Purchase Order		
PURCHASE ORDER NUMBER 180590	REVISION 0	PAGE 1
This Purchase Order Number must appear on all order acknowledgements, packing lists, cartons, and correspondence.		
SHIP TO: American Red Cross Communications & Marketing-E 2025 E Street NW Washington, DC 20006		
BILL TO: American Red Cross Communications & Marketing-E 2025 E Street NW Washington, DC 20006		

VENDOR NO. 1136446	DATE OF ORDER 30-SEP-03	REVISED DATE/BUYER
PAYMENT TERMS NET 30	SHIP VIA	F.O.B.
FREIGHT TERMS	BUYER NAME/TELEPHONE Brand, S 704-943-6907	DELIVER TO: Bonistalli, Rachel M.

ITEM	PART NUMBER/DESCRIPTION	DELIVERY DATE	QUANTITY	UOM	UNIT PRICE	EXTENDED PRICE
	I. Purpose: To provide Celebrity Recruitment Services in support of the American National Red Cross Communications/Marketing Department in accordance with the terms and conditions contained in the attached Contract.					
1	II. Term: September 15, 2003 through March 15, 2004. Your #: FY04 CELEBRITY RECRUITMENT FOR 2004 CELEBRITY CABINET This PO line references contract #: 178179	15-MAR-04				\$ 36,000.00
2	Your #: FY04 OUT OF POCKET EXPENSES This PO line references contract #: 178179	15-MAR-04				\$ 2,400.00

IMPORTANT: See Reverse Side For Terms and Conditions.

Sue Brand
 AUTHORIZED SIGNATURE

TOTAL \$ 38,400.00

Receipt of your order is acknowledged and accepted: Acceptance of Purchase Order # 180590

PFA LLC
 Suppliers Name

Signature of Authorized Official

DATE

Important: Please cut along dotted line, sign, and return this Acceptance to: > American Red Cross
 Charlotte, NC 28241-0700
 P.O. BOX 410700
 National Purchasing Office

SFC-ARC-D000857

American Red Cross

Contract # 178179 (P-4...)

Contract Requisition Form

Department/Division: Communication and Marketing	Contract Type <input type="checkbox"/> Firm Fixed Price <input type="checkbox"/> Blanket Purchase Agreement <input type="checkbox"/> Task Order <input type="checkbox"/> Indefinite Delivery-Indefinite Quantity (IDIQ) <input type="checkbox"/> Task Against <input type="checkbox"/> Indefinite Quantity (IDIQ) Contract #:
Requester: Patty Scott for Rachel Bonistalli	
Phone #: 202-303-4442 Ext:	
FAX #: 202-303-0028	
Date: 09/09/03	

Ship-To Information				Bill-To Information			
Company/Name: American National Red Cross				Company/Name:			
Address 2025 E Street, NW				Address			
ATTN: Patty Scott				ATTN:			
City	State	Zip Code	Country	City	State	Zip Code	Country
Washington	DC	20006	USA				

Supplier Information <input type="checkbox"/> Regulated Services <input type="checkbox"/> Approved Supplier					
Supplier Name: PFA (Paul Freundlich Associates)			Tax ID # (SSN if individual):		
Address			Contact Name		Contact Phone #:
451 Greenwich Street, Suite 503			Paul Freundlich		212-334-6116
City	State	Zip Code	Country	Contact FAX #:	Contact E-mail:
New York	NY	10013	USA	212-334-6336	paulf@pfamedic.nett

Special Instructions			
<input type="checkbox"/> Amendment to Contract #	<input type="checkbox"/> Cancellation to Contract #	<input type="checkbox"/> Check Required with Contract	<input type="checkbox"/> PO Close
<input type="checkbox"/> Close PO Line #			

Description of Services:
 Establish contract for celebrity recruitment services in the development of the American Red Cross/2004 Celebrity Cabinet. NTE will be \$38,400.00. Of this total \$36,000.00 will be for professional fees and \$2,400.00 for out-of-pocket expenses. Terms will extend through March 15, 2004.

Payment Information	
PO/Invoice Match Request: <input type="checkbox"/> 2-Way <input checked="" type="checkbox"/> 3-Way	<i>100510</i>
Not to Exceed Amount: \$38,400.00	Term of Contract: March 15, 2004

Instructions: Indicate payment by Fiscal Year:

Fiscal Year	Dollar Amount	Description/Item	Account Code
FY04	\$36,000.00	Recruitment services for the 2004 National Celebrity Cabinet.	011-24700-00-9965-59990-0000
	\$2,400.00	Out-of-Pocket Expenses	011-24700-00-9965-53130-0000
	\$		
	\$		

Authorized Signatures (in accordance with Appendix C.I, FMPP ARC 4500)		
<i>Deborah Daley</i>	Deborah Daley, Vice President, Corp. Comm & Marketing	
Approval Authority Signature	Print or Type Name and Title	Date
Technical Concurrence Signature	Print or Type Name and Title	Date

FAX COMPLETED FORM TO NATIONAL CONTRACTING OFFICE: (703) 206-8195.

American Red Cross Form 1007 (Rev. 1-02)

SFC-ARC-D000858

PAUL FREUNDLICH ASSOCIATES – PFA (An entertainment and media marketing company)

List of services/deliverables to be provided by vendor:

Initial start up: September 15-30

- Assess current list of ARC cabinet members
- Determine if current cabinet members are to be invited for 2004 cabinet, moved to advisory board or released from obligation(s)
- Establish goals in cabinet solicitation that include consideration of diversity, size of cabinet, etc.

Initial set up: October

- Work with Red Cross to determine the most appropriate target list of celebrities and outreach tactics
- Work with Red Cross to assess last year's outreach in order to see where possibilities lie in securing members of this year's cabinet
- Review, edit and customize pitch kit materials to include Cover Letter from PFA, Letter from President and CEO from ARC, ARC Fact Sheet, List of Opportunities for Cabinet Members, Commitment Form and ARC Code of Conduct

Celebrity and Media Outreach: November/December/January

- Establish communication channels and verbally pitch idea of Cabinet with potential members' publicists and managers
- To those interested, provide personalized pitch kit materials
- Program status report (once outreach begins) to client every two weeks
- Update e-mails and bi-weekly conference calls with client
- Establish flexible model that allows for target list adjustment
- Outreach to celebrity management
- Follow up with celebrity management
- Send out commitment letters

Celebrity and Media Outreach Wrap-Up: February/March 15

- Work with Celebrity publicists to receive Information Sheets, bios, etc and ensure additional media attention
- Solidify cabinet commitments, gathering of information from cabinet members, etc.
- Program status report to client every two weeks
- Update e-mails and bi-weekly conference calls (or as needed) with client

OVERALL THOUGHT:

As always we stand ready to assist in anyway possible to maximize our "celebrity opportunities" e.g. Tim McGraw tour deal (which we played a principal role in delivering). Further we do have some thoughts for auctions, fund raisers (using cabinet

**AMERICAN RED CROSS
CONTRACTOR AGREEMENT**

The American National Red Cross
2025 E Street, NW
Washington, DC 20006

The American National Red Cross shall hereinafter be referred to as "Red Cross."

This "Agreement" consists of this page 1 of the Contractor Agreement and the Standard Terms and Conditions attached hereto as page 2 - 3 and Attachment A.

Name and address of contractor ("Contractor"):

**Paul Freundlich Associates ("PFA")
451 Greenwich St., Suite 503
New York, NY 10013**

Contractor shall perform the following services for Red Cross ("Services"):

The Contractor will provide Professional Services related to the pitching of the National Celebrity Cabinet in accordance with the attached Scope of Work, Attachment A, attached and hereto made a part of this Contract.

Contractor shall deliver to Red Cross the following deliverables ("Deliverables"):

Contractor will provide the deliverables in accordance with the schedule contained in Attachment A.

Services shall be performed from September 15, 2003 to March 15, 2004 ("Term").

Red Cross shall pay Contractor a monthly fee of \$6,000 for the Services performed and Deliverables delivered hereunder ("Fees"). This does not include actual Out-Of-Pocket Expenses which must be billed separately, supported by receipts, and will not exceed \$200 per month for each month in the term. Invoice terms shall be Net 45 days.

Red Cross Contact:

Julie Whitmer, Director
Relationship & Celebrity Outreach
(202) 303-4221

Contractor Contact:

Paul Freundlich
(212) 334-6116

By signing this Agreement, Contractor represents that Contractor has read and fully understands all of the terms and conditions of this Agreement, including but not limited to the Standard Terms and Conditions attached as pages 2 - 3, and that Contractor hereby agrees to all such terms and conditions.

PAUL FREUNDLICH ASSOCIATES

THE AMERICAN NATIONAL RED CROSS

Signature

Signature

Title

Title

Date

Date

STANDARD TERMS AND CONDITIONS

1. Services, Deliverables and Fees. Contractor agrees to perform the Services and/or deliver the Deliverables as specified on page 1 of this Agreement. Red Cross agrees to pay Contractor the Fees for such Services and Deliverables upon Contractor's successful performance of the Services and Contractor's delivery to Red Cross of acceptable Deliverables.
2. No Assignment; Independent Contractors. Red Cross selected Contractor to perform the Services and/or deliver the Deliverables, as applicable, based upon Red Cross receiving Contractor's personal services, and therefore, Contractor may not subcontract or otherwise assign or delegate its obligations under this Agreement without the prior written consent of Red Cross. Contractor and Red Cross understand, acknowledge, and agree that the relationship of the parties shall in all respects be that of independent contractors.
3. Assignment of Intellectual Property. Contractor agrees that all intellectual property in the Deliverables and in the results of the Services performed hereunder shall belong to Red Cross. Contractor further agrees that all copyrightable works created by Contractor, either solely or jointly with others, in performance of this Agreement shall be treated as "works made for hire" by Contractor for Red Cross as contemplated and defined in Section 101 of the U.S. Copyright Act, 17 U.S.C. § 101. Contractor hereby assigns all right, title, and interest in and to all intellectual property, including but not limited to copyrights, to Red Cross. Contractor agrees to execute, when requested, copyright or similar applications and assignments to Red Cross and any other documents deemed necessary by Red Cross to vest ownership of intellectual property in Red Cross.
4. Representations and Warranties. Contractor represents and warrants to Red Cross that Contractor owns all rights in and to all intellectual property provided by Contractor to Red Cross in performance of this Agreement. Contractor further represents and warrants that such intellectual property does not and will not infringe any patent, copyright, trade secret, trademark, right of privacy or any other right of any third party.
5. Termination. Red Cross may terminate this Agreement at any time in the event Contractor is not performing the Services or delivering the Deliverables in a manner acceptable to Red Cross.
6. Liability and Indemnification. CONTRACTOR EXPRESSLY ACKNOWLEDGES AND AGREES THAT NEITHER RED CROSS, INCLUDING ITS CHARTERED UNITS, NOR ITS GOVERNORS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND VOLUNTEERS SHALL BE LIABLE IN ANY WAY, TO ANY PERSON OR ENTITY, IN CONNECTION WITH THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO THE SERVICES TO BE PERFORMED HEREUNDER AND THE DELIVERABLES TO BE DELIVERED HEREUNDER. Contractor shall indemnify, defend and hold Red Cross harmless, including its chartered units, and its governors, directors, officers, employees, agents and volunteers from and against any and all suits, claims, demands, liabilities, damages, costs and expenses (including reasonable attorneys' fees) arising out of or relating in any way to this Agreement, including but not limited to a breach of any of Contractor's representations or warranties made in this Agreement or arising out of or in connection with alleged or actual infringement of any copyright, trademark, trade secret or any other intellectual property right used by Contractor in performance under this Agreement.
7. Insurance.

Contractor shall maintain the following insurance policies for the term of this Contract: (1) A Commercial General Liability policy, endorsed to include Products and Completed Operations and Personal & Advertising Injury, with The American National Red Cross, its operating units, governors, directors, agents, employees, volunteers, customers and invitees named as additional insureds, in the amount of at least \$500,000 combined single limit for each occurrence, written on an occurrence form (not "claims made form"); (2) An auto liability policy with statutory limits for each jurisdiction where the work is required under this Contract and (3) if applicable, Workers' Compensation coverage with statutory limits for each jurisdiction where the work required under this Contract is performed and an employers' liability policy.

For any work done under this contract outside of the United States or its territories, the following requirements shall also apply: The above policies shall be endorsed so that they will respond to claims brought in the courts of United States and of countries in which the work will be performed other than the United States or its territories.

Each policy shall be reasonably acceptable to The American National Red Cross and be written as primary policy coverage and not contributing with, or in excess of, any coverage, whichever is applicable, which The American National Red Cross shall carry; Contractor shall provide The American National Red Cross with certificates of insurance prior to the

commencement of services and for as long as this Contract is in effect; in the "Cancellation Clause" the certificate shall read: in the event of non-renewal of policies, cancellation or material change in the coverage provided, thirty (30) days' prior written notice will be furnished to The American National Red Cross prior to the date of non-renewal or cancellation

8. Survival. The obligations of Sections 3, 4, 6, 8 and 9 of this Agreement shall survive the expiration or termination of this Agreement.
9. Choice of Law and Venue. This Agreement shall be governed, interpreted and enforced in accordance with the laws of the Commonwealth of Virginia, excluding its laws regarding conflicts of laws. The parties agree that any and all proceedings arising out of, relating to, or referencing this Agreement shall be brought in, and only in, the federal district court for the Eastern District of Virginia. Both parties consent to and waive any objection to the jurisdiction and venue thereof.
10. Entire Agreement. This Agreement, including page 1 attached hereto and these Standard Terms and Conditions, constitutes the entire agreement between the parties relating to the subject matter of this Agreement and supersedes all prior and simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may only be amended or modified by a writing signed by both parties.

ATTACHMENT A
SCOPE OF WORK

PAUL FREUNDLICH ASSOCIATES – PFA (An entertainment and media marketing company)

List of services/deliverables to be provided by vendor:

Initial start up: September 15-30

- Assess current list of ARC cabinet members
- Assist Red Cross in determining if current cabinet members are to be invited for 2004 cabinet, moved to advisory board or released from obligation(s)
- Establish goals in cabinet solicitation that include consideration of diversity, size of cabinet, etc.

Initial set up: October

- Work with Red Cross to determine the most appropriate target list of celebrities and outreach tactics
- Work with Red Cross to assess last year's outreach in order to see where possibilities lie in securing members of this year's cabinet
- Consult with Red Cross on the review, edit and customizing of pitch kit materials to include Cover Letter from PFA, Letter from President and CEO from ARC, ARC Fact Sheet, List of Opportunities for Cabinet Members, Commitment Form and ARC Code of Conduct.

Celebrity and Media Outreach: November/December/January

- Establish communication channels and verbally pitch idea of Cabinet with potential members' publicists and managers
- To those interested, provide personalized pitch kit materials
- Program status report (once outreach begins) to client every two weeks
- Update e-mails and bi-weekly conference calls with client
- Establish flexible model that allows for target list adjustment
- Outreach to celebrity management
- Follow up with celebrity management
- Send out commitment letters

Celebrity and Media Outreach Wrap-Up: February/March 15

- Work with Celebrity publicists to receive Information Sheets, bios, etc and ensure additional media attention
- Solidify cabinet commitments, gathering of information from cabinet members, etc.
- Program status report to client every two weeks
- Update e-mails and bi-weekly conference calls (or as needed) with client

OVERALL THOUGHT:

As always we stand ready to assist in anyway possible to maximize our "celebrity opportunities" e.g. Tim McGraw tour deal (which we played a principal role in delivering). Further we do have some thoughts for auctions, fund raisers (using cabinet members) and would seek to continue that creative approach in marketing the cabinet to benefit the American Red Cross.

6-MONTH CONTRACT PROFESSIONAL FEE = \$36,000 with Out-Of-Pocket expenses limited to \$200/month and must be billed separately and supported by receipts.

Timeline September 15, 2003 – March 15, 2004

Submit to: Julie Whitmer, Officer, Entertainment Outreach
American Red Cross
431 18th Street, NW 5th Floor
Washington, DC 20006
202-639-3001

Initial set up: October

- **Work with Red Cross to determine the most appropriate target list of celebrities and outreach tactics**
- **Work with Red Cross to assess last year's outreach in order to see where possibilities lie in securing members of this year's cabinet**
- **Review, edit and customize pitch kit materials to include Cover Letter from PFA, Letter from President and CEO from ARC, ARC Fact Sheet, List of Opportunities for Cabinet Members, Commitment Form and ARC Code of Conduct**

Celebrity and Media Outreach: November/December/January

- **Establish communication channels and verbally pitch idea of Cabinet with potential members' publicists and managers**
- **To those interested, provide personalized pitch kit materials**
- **Program status report (once outreach begins) to client every two weeks**
- **Update e-mails and bi-weekly conference calls with client**
- **Establish flexible model that allows for target list adjustment**
- **Outreach to celebrity management**
- **Follow up with celebrity management**
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Celebrity and Media Outreach Wrap-Up: February/March 15

- **Work with Celebrity publicists to receive Information Sheets, bios, etc and ensure additional media attention**
- **Solidify cabinet commitments, gathering of information from cabinet members, etc.**
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OVERALL THOUGHT:

As always we stand ready to assist in anyway possible to maximize our "celebrity opportunities" e.g. Tim McGraw tour deal (which we played a principal role in delivering). Further we do have some thoughts for auctions, fund raisers (using cabinet members) and would seek to continue that creative approach in marketing the cabinet to benefit the American Red Cross.

REQUEST FOR QUOTE

Communication and Marketing

Request for
Quote

Project: ARC National Celebrity Cabinet

Contractor: Paul Freundlich Associates (PFA)
(An entertainment and media marketing company)

Date: September 15, 2003

**Statement of
Work/Need**

The purpose of this quote is to secure a proposal with a celebrity recruitment agency to assist the American Red Cross in establishing the 2004 National Celebrity Cabinet

**Target
Audience**

The target audience for this service is a diverse group of celebrities, who are willing to commit time and resources to promote the efforts of our organization. This time includes appearances on behalf of the American Red Cross in PSA's, TV shows, press conferences, and various functions including CPR classes, auctions (both attendance and contribution of goods), etc.

Approach

Agency will recruit celebrity talent from a list of names pre-approved by the American Red Cross. Phone, letters, e-mail, and face-to-face meetings will be used to pursue celebrities from this pre-approved list. Celebrity is considered recruited when they sign a commitment form, which commits them to appearing in a PSA and/or press release and/or print ad campaign, and/or makes an appearance on behalf of American Red Cross. This re-inforces and solidifies their identity as a member of ARC's "Celebrity Cabinet".

List of services/deliverables to be provided by vendor:

Initial start up: September 15-30

- Assess current list of ARC cabinet members
- Determine if current cabinet members are to be invited for 2004 cabinet, moved to advisory board or released from obligation(s)
- Establish goals in cabinet solicitation that include consideration of diversity, size of cabinet, etc.

SFC-ARC-D000863

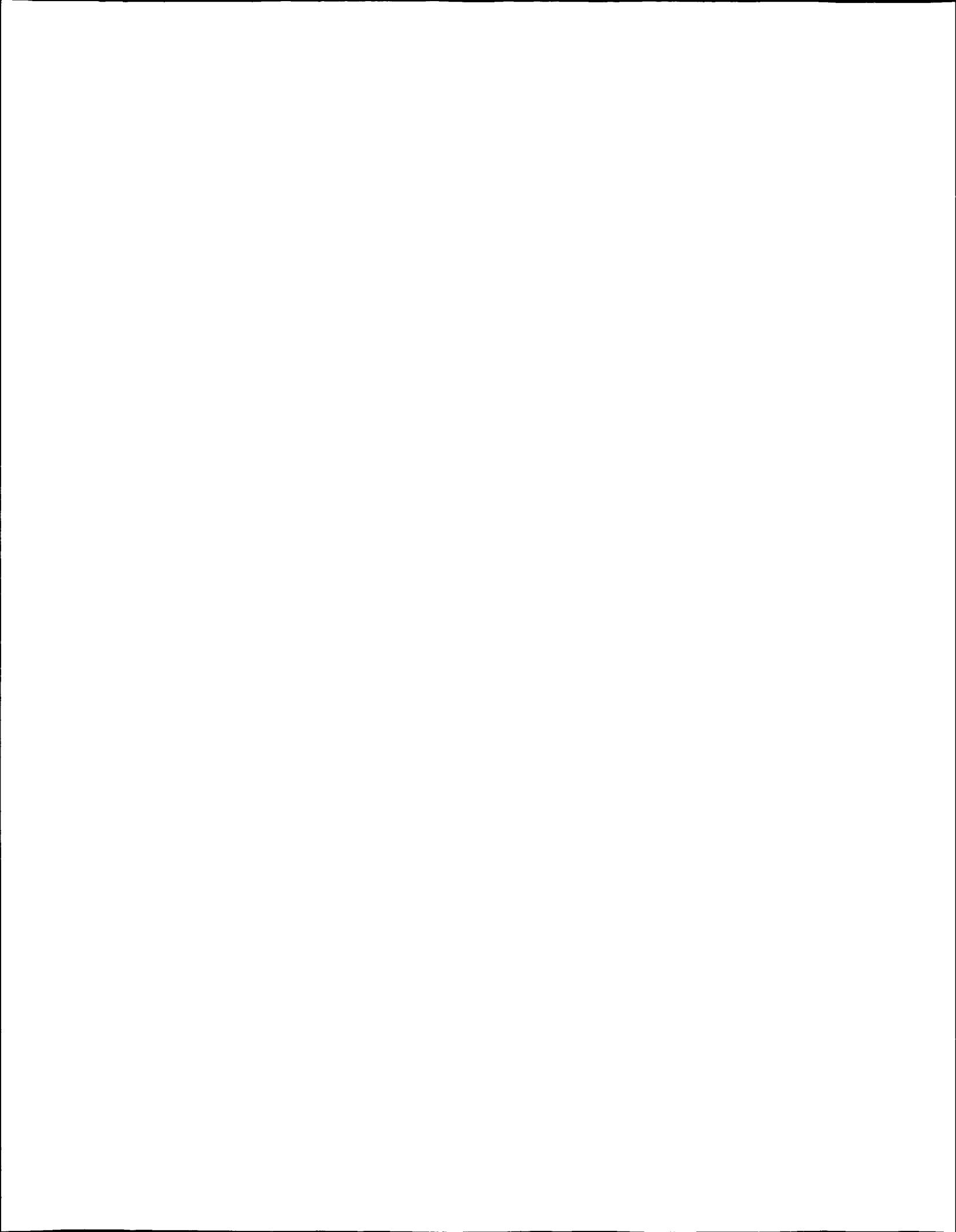
members) and would seek to continue that creative approach in marketing the cabinet to benefit the American Red Cross.

6-MONTH CONTRACT PROFESSIONAL FEE = \$36,000

SFC-ARC-D000862

professionalism established whether their clients have been able to join the cabinet or not. Additionally, while only a limited number are actually able to commit to a one-year cabinet term, many express favorable interest and ask us to check back for the following year. PFA has all those records and the established rapport which are crucial when dealing within a small community to produce results for our benefit.

For the reasons above, we do not believe that putting this business out for bid would be to the best advantage for the organization. Given the specialty that is required for this type of work and our tight time constraints, the lengthy bidding process would significantly encumber our ability to deliver a new National Celebrity Cabinet for 2004. Moreover, we do not believe that another firm would offer a better price for the same caliber of service and accommodation our business requires.



*John
Gardner*

FLEISHMAN-HILLARD INC.

8/31/05

PRECONTRACT LETTER OF AGREEMENT

This agreement is entered into this 28th day of September, 2005 by and between the American Red Cross (Client) and ~~FLEISHMAN-HILLARD INC. (F-H)~~. This agreement shall expire on the 27th day of November, 2005

Client agrees that they have engaged F-H as of the date above to furnish services at the Client's request. Client also agrees to compensate F-H for such services in a timely manner for fees estimated to be not less than \$ 60,000 during the time period stated above.

Client also agrees to compensate F-H in a timely manner for any applicable out-of-pocket expenses as may be incurred on behalf of Client in the course of F-H's performance of services during the time period stated above. The estimated total of such out-of-pocket expenses is agreed during the time period stated above.

Client and F-H agree to enter into a formal contract at the earliest date that is practicable for both parties. Upon the signature of such formal contract, this letter of agreement will be terminated and superseded by such formal contract.

Should a formal contract not be signed by the date of expiration of this letter of agreement as stated above, this letter of agreement may be extended or renewed until such time as a formal contract may be signed.

By *[Signature]*
Client

DARREN IRBY
Title

By *[Signature]*
F-H

EVP + General Manager
Title

FLEISHMAN-HILLARD INC. CONTRACT

28/3/05

The following terms and conditions apply to retention of Fleishman-Hillard Inc., a Delaware corporation, (hereinafter "we" and "our" and "us" and "FH") as public relations and communications counsel for the American Red Cross in Washington, DC (hereinafter "you" and "your").

1. Scope of Services:

We will provide you with communications services as detailed in the attached memorandum (Exhibit A). Our work for you under this agreement will be limited to the assignments in the memorandum. Because we offer a comprehensive level of international communications services, we would be pleased to offer you assistance in other matters as you may request over the course of this agreement. Any change in the terms and conditions of this agreement or engagement for additional services shall be mutually agreed upon in writing prior to performing those services.

2. Performance Review:

We are committed to serving you and helping you achieve your desired results. We encourage you to review regularly with us any and all comments and suggestions you may have about our performance, and we will meet with you as frequently as you deem necessary to review performance.

3. Fleishman-Hillard's Dedication to Confidentiality and Commitment to Client Relationship Integrity:

Fleishman-Hillard Inc. ("FH") is a service company that offers its clients communications consulting across a wide array of practices and industries. Like other global agencies, FH often works for more than one company in any one industry sector. We understand that clients need assurances that their confidential information will be protected and that our work for multiple companies within an industry sector will not hinder our ability to provide effective representation.

Accordingly, FH approaches all client relationships with the following principles:

- A) As an agency, we promise to treat our clients' confidential information with the same care we treat our own. To help ensure such confidentiality, no confidential client information will be shared with anyone beyond the specific FH account team servicing a client's account and our authorized subcontractors on each account. We take personal responsibility for ensuring that such authorized subcontractors protect your confidential information to the same extent we do.

- B) Our employees are informed of the integral role they play in protecting such confidential information. All FH employees are required to sign agreements, at the outset of their employment with FH, stating that they understand that personal use of client confidential information or unauthorized disclosure of the same is grounds for termination and legal action.
- C) FH recognizes that protecting the confidential information of our past and present clients is a core ethical and contractual obligation. We have developed a culture of integrity and a technology infrastructure that helps us adhere to this obligation. Regarding technology, for example, our file server system can be configured to restrict access to an individual client's files.
- D) In the event FH is required to disclose confidential client information pursuant to a court order or other judicial or administrative process, we will provide our clients with advance notice of such disclosure, sufficient to allow our clients to raise any legal defenses that may prevent such disclosure.
- E) We promise that each client will receive the best possible service, and access to the full resources of the agency. No client will be restricted from such access due to size or location of the account.

4. Care of Property and Inspection:

We will take reasonable precautions to safeguard your property that is in our custody, but we shall not be liable for damage to your property unless the damage results from our gross negligence in connection with its care. We shall have no liability for damage to property that is in the custody or control of any third party. All materials we produce at your expense shall be our property until we receive your payment in full for the cost of all materials and other out-of-pocket expenses and all fees relating to such materials.

You may inspect, at the appropriate FH office, all correspondence, contracts, books, accounts, and other materials prepared or held by us that are directly related to our performance under this agreement. Inspections may be made during our normal business hours upon three days' prior written notice.

5. Approvals, Accuracy of Information and Indemnification:

You shall have the sole responsibility for authorizing and approving the dissemination of all information and materials released on your behalf. You shall be solely responsible for the accuracy, completeness and legal compliance of the information about you that you provide or approve for our use.

We shall indemnify you against any and all losses, liabilities, damages, demands, settlements, judgments, costs and expenses, including reasonable attorneys' fees

(collectively, "Damages"), sustained as a result of any claim of libel, slander, defamation, copyright infringement, trademark or servicemark infringement, trade dress infringement, unfair competition, misappropriation of ideas, infliction of emotional distress, invasion of rights of privacy, or invasion of right of publicity arising from any materials prepared by FH on your behalf (collectively, "Materials Claims"); provided, however, the foregoing indemnification provision shall not apply to Materials Claims arising from any such materials that were approved by, or prepared based upon information provided by, you or any of your employees, agents, or independent contractors. You agree to indemnify us against any and all Damages sustained as a result of any Materials Claims arising from any such materials that were approved by, or prepared based upon information provided by, you or any of your employees, agents or independent contractors. In addition, we shall indemnify you against any and all Damages sustained as a result of our breach of this agreement or our negligence or intentional misconduct in connection with this agreement, and you shall indemnify us against any and all Damages sustained as a result of your breach of this agreement or your negligence or intentional misconduct in connection with this agreement. The foregoing indemnification provisions in favor of you and us are intended to extend to and cover your and our respective officers, directors, agents and employees.

6. Outside Experts and Other Third Parties:

It may be appropriate in the course of our performance under this agreement to work with outside experts and other third parties hired by you or hired by us with your authorization. You agree to reimburse fees and expenses incurred by these persons, and we shall not be liable to you in any way for the acts or omissions of such third parties.

7. Fees, Disbursements and Other Charges:

We are sensitive of the need to manage and control costs. It is our preference to work with budgets in which our fees for services are agreed upon in advance and made part of our agreement with you. You agree under this contract to reimburse us:

No more than \$150,000 in professional fees for services performed in accordance with Exhibit A. Such fees shall be billed in accordance with our discounted non-profit hourly rates.

We also are committed to offering you the most efficient, cost-effective support systems. You will be billed for telephone, facsimile transmission, mail, messenger charges, information retrieval, and travel expenses as appropriate to services provided by us to meet our obligations under this agreement. We strongly prefer that you contract directly with any third party vendors as needed for the services to be performed under this contract. In such case, you shall be billed directly by and submit payment directly to such third parties. Should you choose to have us contract directly with any other third parties, their invoices will be billed to you with a standard agency commission of 17.65 percent.

8. Billing and Payment:

We want you to be satisfied with the quality of our services and the reasonableness of our bills, and we ask that you discuss with us any questions or comments you may have about fees, charges and/or the format of bills. Our fees and out-of-pocket expenses are due and payable on receipt of our invoice. We will bill on a monthly basis for fees, disbursements and related charges incurred in the preceding month. Where possible and with your agreement, we prefer to pre-bill you at the beginning of the month. You shall, within fifteen days of receipt, advise us of any dispute related to said invoice, or we shall deem the invoice accepted. While we make every effort to include all disbursements in the invoices for the period in which they were incurred, some costs are not available at the time of billing and must therefore be included in a later invoice.

9. Non-Payment and Collection:

Failure to pay our invoices within 60 days after the date of invoice may, at our discretion, result in suspension of any or all service to you until payment is received, and may result in termination of the agreement. We shall incur no liability of any kind to you for such suspension or termination. We reserve the right to charge interest up to 18 percent per annum on all amounts more than 60 days outstanding. In the event that we must retain counsel or other services to enforce the contract or recover any sum due, you shall be responsible for all said costs and expenses including reasonable attorneys' fees.

10. Force Majeure:

Neither party shall be responsible for its failure to perform due to causes beyond its reasonable control such as acts of God, fire, epidemics, theft, war, riot, embargoes, acts of civil or military authorities, or intervention by the federal, provincial, or local government. If services are to be delayed by such contingencies, the party requesting such a delay shall immediately notify the other party in writing. The party requesting the delay shall be responsible for all out-of-pocket expenses resulting from such delay.

11. Limitation of Liability:

Notwithstanding anything to the contrary contained in this agreement, in no event shall either of us be liable to the other for any punitive, incidental, consequential, or other special damages in connection with any claim arising out of or related to this agreement.

12. Termination:

We hope and trust that our relationship with you will be long and valued. Nevertheless, either of us may terminate our services for any reason with 15 days' prior written notice. You remain liable for all fees, disbursements and other related charges incurred up to the date of termination, as well as all amounts that we must pay to third

parties pursuant to non-cancelable agreements we entered into in performance of this contract. Provisions in the agreement related to payment, confidentiality, indemnification, dispute resolution and waiver shall survive termination of the agreement.

13. Hiring of FH Staff Members:

Fleishman-Hillard's most valuable assets are its employees. The very foundation of the agency is based on a simple equation: we undertake a thorough recruitment process to find great practitioners who are highly focused on client service. We follow their hiring by investing heavily in their professional development and on-the-job training. Accordingly, while we genuinely hope our clients will not hire our staff members, Fleishman-Hillard does not prohibit the hiring of its staff by clients. In the event that a client hires a staff member, it is important to recognize the lost value of these employees to the FH enterprise. Therefore, in the event that you should hire any FH staff member to be an employee of, or non-FH consultant of, your firm, during the life of this contract and for six months thereafter, you agree to reimburse FH 2x the current FH yearly base salary of any such staff member. Both parties to this agreement agree that this figure represents fair compensation to FH for the loss of an employee's experience, revenues and the costs of recruiting and training a replacement employee. You will be billed for this compensation in the month following your hiring of any such FH staff members.

14. Miscellaneous:

This agreement (1) may not be assigned by either of us without prior written consent of the other; (2) shall bind and benefit each of us and our respective permitted successors or assigns; (3) supersedes any previous agreements, understandings, or discussions with respect to its subject matter, and (4) shall be governed and construed under the laws of the state of Missouri and shall be litigated in the state or federal courts thereof. Failure by either of us to exercise our rights under this agreement, or to fail to require strict performance of any part of the agreement, shall not constitute a waiver of those rights or provisions, which shall remain in full force and effect. Notice required under this agreement shall be given in writing either by personal delivery, telecopy (with confirmation of receipt) or certified mail, addressed in case of notice to us at: Fleishman-Hillard Inc., 200 N. Broadway, St. Louis, Missouri, 63102, Attention: Fred Rohlring; and in case of notice to you at the name and address set forth in the attached memorandum (Exhibit A).

NOTE TO FORM USER: THIS FORM MUST BE USED IN CONJUNCTION WITH A SEPARATE MEMORANDUM TO BE ATTACHED HERETO AS EXHIBIT A, WHICH (1) IS INITIALED BY THE PARTIES AND (2) CONTAINS THE SCOPE OF SERVICES, FEE ARRANGEMENT, AND CLIENT NOTICE NAME AND ADDRESS.

FLEISHMAN-HILLARD INC.

12/1/05 ed

EXHIBIT A

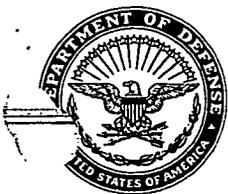
A. Description of services to be performed until November 30th, 2005:

Fleishman-Hillard will provide strategic counsel and media relations support to bolster the American Red Cross's donor relations activities.

B. Agreed to budget amount for out-of-pocket expenses broken down by project:

- Media roundtable boards (\$2,250)
- Phone, fax, copies, etc. (Approximately equal to 10% of fees)

We will seek American Red Cross approval for all expenses over \$1,000.



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000



1:41

JAN 3 2003

Mr. David T. McLaughlin
Chairman, Board of Governors
The American Red Cross
17th and D Streets, NW
Washington, DC 20006

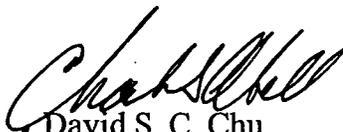
Dear Mr. McLaughlin:

In accordance with section 300110 of title 36, United States Code, I am transmitting to Congress the U.S. Army Audit Agency review of the audit conducted by KPMG LLP of American Red Cross (ARC) activities for the year that ended on June 30, 2002. Enclosed are copies of the Letters of Transmittal and the U.S. Army Audit Agency review.

The Under Secretary of Defense (Comptroller) (USD(C)) has reviewed the audited financial statements and provided a recommendation for improvement of future statements. The USD(C) noted that the current financial statements do not contain financial performance indicators such as financial ratios, trend analysis or financial performance metrics. Inclusion of these indicators in future ARC financial statements would enhance the reader's ability to comprehend the organization's performance. I would ask that you provide this recommendation to the ARC Audit Committee.

Thank you and all at the American Red Cross for your continued support of our military members and families.

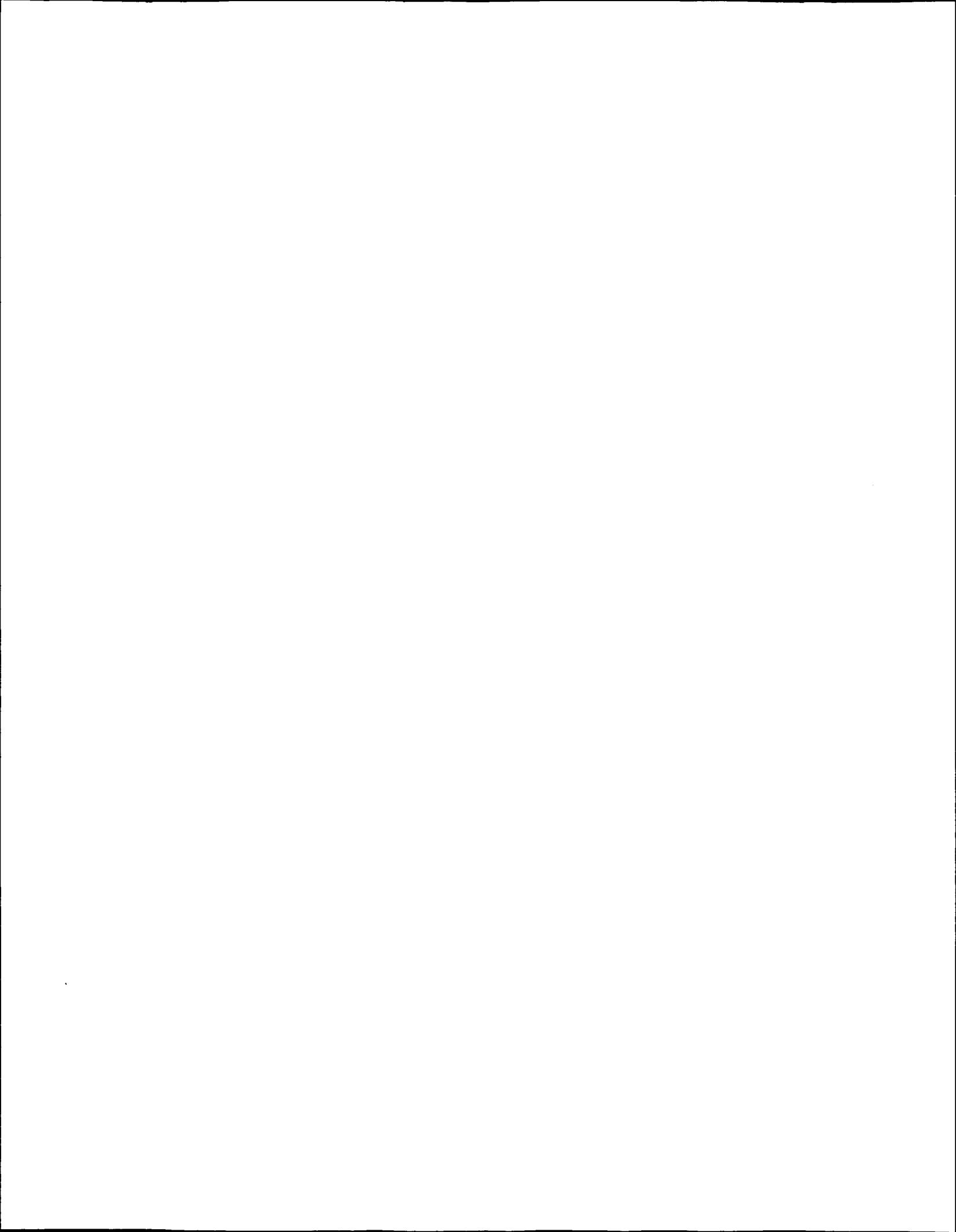
Sincerely,


David S. C. Chu

Enclosures:
As stated



SFC-ARC-A002200



STANDARD

YY

N
N

178221 3 1

American Red Cross
National Headquarters
2025 E Street NW
Washington, DC 20006

BRAGMAN NYMAN CAPARELLI
9171 WILSHIRE BOULEVARD
SUITE 300
BEVERLY HILLS, CA 90210

American Red Cross
National Headquarters
2025 E Street NW
Washington, DC 20006

N310 274-7838

1044376 10-SEP-03 Brand, S
704-943-6907

30-SEP-04 Brand, S
29-SEP-03

NET 30

Many

NYMAN, M (310) 274-7800

I. Purpose: To provide product placement services in accordance with the terms and conditions contained in the attached Contract.

II. Term: July 21, 2003 through October 20, 2003.

CPA amended to add funds in the amount of \$53,600 covering Professional Fees and a not-to-exceed amount of \$5600 for OOP expenses and to extend the term of the Contract through June 4, 2004 in accordance with the request received from Patty Scott dated September 10, 2003.
CC 9/15/03

09/29/03: COPY OF AMENDMENT TO BOTH PARTIES

Contract amended and signed August 2, 2004 to extend Contract for the period: July 10, 2004 - December 17, 2004.

Contract amended October 11, 2004 to reflect monthly expense amount of \$36,000 and out-of-pocket expense amount of \$4,200 for a new not to exceed amount of \$40,200

MF
10/13/04
9/30/04

Continued

STANDARD

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American Red Cross
National Headquarters
2025 E Street NW
Washington, DC 20006

BRAGMAN NYMAN CAPARELLI
9171 WILSHIRE BOULEVARD
SUITE 300
BEVERLY HILLS, CA 90210

American Red Cross
National Headquarters
2025 E Street NW
Washington, DC 20006

N310 274-7838

1044376 10-SEP-03 Brand, S
704-943-6907

30-SEP-04 Brand, S
29-SEP-03

NET 30

Many

NYMAN, M (310) 274-7800

1 Your #: FY04 30-JUN-04 20,100.00 N
BRAND STRATEGY THROUGH PROACTIVE FILM
07/21/03-10/20/03
This PO line references contract #: 175433

DELIVER TO: Scott, Patty G (20100)

2 Your #: FY04 30-JUN-04 48,000.00 N
BRAND STRATEGY THROUGH PROACTIVE FILM
07/21/03-10/20/03
This PO line references contract #: 175433

DELIVER TO: Scott, Patty G (48000)

3 Your #: FY04 30-JUN-04 5,600.00 N
OUT OF POCKET EXPENSES
This PO line references contract #: 175433

DELIVER TO: Scott, Patty G (5600)

4 Your #: FY05 17-DEC-04 36,000.00 N
MONTHLY FEE FOR TV & FILM PITCHING &
MONITORING
07/10/04-12/17/04
This PO line references contract #: 175433

Continued

STANDARD

178221 3 3

YY

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N

American Red Cross

PUB@CFSPRO112.txt

National Headquarters
2025 E Street NW
Washington, DC 20006

BRAGMAN NYMAN CAPARELLI
9171 WILSHIRE BOULEVARD
SUITE 300
BEVERLY HILLS, CA 90210

American Red Cross
National Headquarters
2025 E Street NW
Washington, DC 20006

N310 274-7838

1044376 10-SEP-03 Brand, S
704-943-6907

30-SEP-04 Brand, S
29-SEP-03

NET 30

Many

NYMAN, M (310) 274-7800

DELIVER TO: Whitmer, Juliana Thurmond (36000)

5 Your #: FY05 17-DEC-04 4,200.00 N
LIMIT OF OUT OF POCKET EXPENSES
PER MONTH FOR SERVICE
07/10/04-12/17/04
This PO line references contract #: 175433

DELIVER TO: Whitmer, Juliana Thurmond (4200)

113,900.00

American Red Cross

Contract Requisition Form

Department/Division: Comm & Mktg/NHQ	Contract Type <input type="checkbox"/> Firm Fixed Price <input type="checkbox"/> Blanket Purchase Agreement <input type="checkbox"/> Task Order <input type="checkbox"/> Indefinite Delivery Indefinite Quantity (IDIQ) <input checked="" type="checkbox"/> Task Against Contract #: 175433
Requester: Julie Whitmer	
Phone #: 202/303-4221 Ext:	
FAX #: 202.303.0044	
Date: 07/14/04	

Ship-To Information				Bill-To Information			
Company/Name: Bragman Nyman Cafarelli/Melissa Robinson				Company/Name: American Red Cross/Julie Whitmer			
Address 9171 Wilshire Blvd., Suite 300 Beverly Hills, CA 90210				Address 2025 E Street, N.W. - 8 th Floor Washington, DC 20006			
ATTN: Melissa Robinson				ATTN: Julie Whitmer			
City Beverly Hills	State CA	Zip Code 90210	Country U.S.A.	City Washington	State DC	Zip Code 20006	Country U.S.A.

Supplier Information <input type="checkbox"/> Regulated Services <input checked="" type="checkbox"/> Approved Supplier					
Supplier Name: Bragman Nyman Cafarelli			Tax ID # (SSN if individual):		
Address 9171 Wilshire Blvd., Suite 300			Contact Name Melissa Robinson	Contact Phone #: 818.205.8371	
City Los Angeles	State CA	Zip Code 90210	Country USA	Contact FAX #: 310.274.7838	Contact E-mail: mrobinson@bncpr.com

Special Instructions			
<input checked="" type="checkbox"/> Amendment to Contract # 175433	<input type="checkbox"/> Cancellation to Contract #	<input type="checkbox"/> Check Required with Contract	<input type="checkbox"/> PO Close
<input type="checkbox"/> Close PO Line #			

Description of Services:
 Contract for services to provide pitching, strategizing and reporting of all pro-active and re-active TV and Film efforts for issue and product integrations.

Payment Information	
PO/Invoice Match Request: <input type="checkbox"/> 2-Way <input checked="" type="checkbox"/> 3-Way	<i>40,200.00</i>
Not to Exceed Amount: \$33,500.00	Term of Contract: July 10, 2004 to Dec. 17, 2004

Instructions: Indicate payment by Fiscal Year:

Fiscal Year	Dollar Amount	Description/Item	Account Code
2005	<i>30,000.00</i> \$6,000.00	Monthly fee for TV & Film pitching and monitoring	011.24830.00.0000-5990-0000
2005	<i>4,200.00</i> \$700.00	Limit of Out-of-Pocket expenses per month for services	011.24830.00.0000-53130-0000
	\$		
	\$		
	\$		

Authorized Signatures (In accordance with Appendix C.I, FMPP ARC 4500)		
	Darren Irby, Vice President, Public Relations	
	Julie Whitmer, Director, Celebrity & Relationship Outreach	
Approval Authority Signature	Print or Type Name and Title	Date
Technical Concurrence Signature	Print or Type Name and Title	Date

Send Original to NCO, JPO-3, 8111 Gatehouse Road, Falls Church, VA 22042

SFC-ARC-D000897

American Red Cross

Contract Requisition Form

Department/Division: Communication and Marketing	Contract Type <input type="checkbox"/> Firm Fixed Price <input type="checkbox"/> Blanket Purchase Agreement <input type="checkbox"/> Task Order <input type="checkbox"/> Indefinite Delivery Indefinite Quantity (IDIQ) <input type="checkbox"/> Task Against Contract #:
Requester: Patty Scott	
Phone #: 202-303-4442 Ext:	
FAX #: 202-303-0028	
Date: 09/10/03	

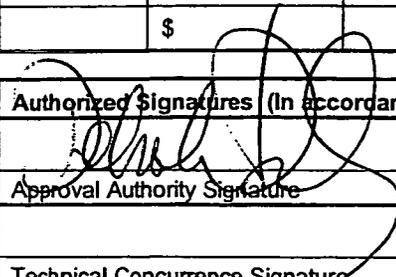
Ship-To Information				Bill-To Information			
Company/Name: American National Red Cross				Company/Name:			
Address 2025 E Street, NW				Address			
ATTN: Patty Scott				ATTN:			
City	State	Zip Code	Country	City	State	Zip Code	Country
Washington	DC	20006	USA				

Supplier Information <input type="checkbox"/> Regulated Services <input type="checkbox"/> Approved Supplier					
Supplier Name: Bragman Nyman Cafarelli			Tax ID # (SSN if individual):		
Address			Contact Name		Contact Phone #:
9171 Wilshire Blvd, Suite 300			Kevin Jackson		310-274-7800
City	State	Zip Code	Country	Contact FAX #:	Contact E-mail:
Beverly Hills	CA	90210	USA	310-274-7838	FWalker@BNCPR.com

Special Instructions			
<input type="checkbox"/> Amendment to Contract #	<input type="checkbox"/> Cancellation to Contract #	<input type="checkbox"/> Check Required with Contract	<input type="checkbox"/> PO Close
<input type="checkbox"/> Close PO Line #			

Description of Services:
 Amend contract #175433 for additional \$53,600.00. Of this amount, \$48,000.00 will be for professional fees and \$5,600.00 will be for Out-of-Pocket expenses. Terms will extend through June 30, 2004.

Payment Information			
PO/Invoice Match Request: <input type="checkbox"/> 2-Way <input checked="" type="checkbox"/> 3-Way			
Not to Exceed Amount: \$53,600.00		Term of Contract: June 30, 2004	
Instructions: Indicate payment by Fiscal Year:			
Fiscal Year	Dollar Amount	Description/Item	Account Code
FY04	\$48,000.00	Brand Strategy through Proactive Film	011-24700-00-9965-59990-0000
	\$	Product Placement.	
	\$5,600.00	Out-of-Pocket Expenses	011-24700-00-9965-53130-0000
	\$		{NEW CODING}
	\$		

Authorized Signatures (In accordance with Appendix C.I, FMPP ARC 4500)		SFC-ARC-D000899
	Deborah Daley, Vice President, Corp. Comm & Marketing	
Approval Authority Signature	Print or Type Name and Title	Date
Technical Concurrence Signature	Print or Type Name and Title	Date

finite period in which to reach them for inclusion, so a bidding process could have resulted in many missed projects.

3. **Fees Discounted** – Over the past two years, we have gotten excellent service at a discount rate from BNC. They have agreed to do both our television and film business at a discounted rate from their regular fee. Additionally, they do not charge us for many administrative and other fees. They have worked with us to find ways we can operate at an economy level without compromising the excellence in the service. They have increasingly been willing to find ways to accommodate our business having had significant budget constraints since we started working together.

4. **Established Relationships in Small Community** – The television and film industry is a small and tight community. Studios and productions want to have one reliable way to get what they need when they need it. They also want to work with people they trust respect their business demands and constraints. For us to gain acceptance within this tight community, we need a firm who has the relationships and does the job the right way. BNC with two years of service for us, has established themselves as the eyes and ears helping the American Red Cross in Hollywood. That helps opportunities open up to us as well as helps productions reach us more efficiently. With an established group representing us in this tight community, a change to a new vendor will create confusion and increase the likelihood that we miss out on opportunities because the contacts for us changed.

For the reasons above, we do not believe that putting this business out for bid would be to the best advantage for the organization. Given the specialty that is required for this type of work and our tight time constraints, the lengthy bidding process would significantly encumber our ability to deliver television and film opportunities for Red Cross. Moreover, we do not believe that another firm would offer a better price for the same caliber of service and accommodation our business requires.

American Red Cross

Charlotte, NC 28241-0700
 P.O. BOX 410700
 National Purchasing Office

SUPPLIER: BRAGMAN NYMAN CAPARELLI
 9171 WILSHIRE BOULEVARD
 SUITE 300
 BEVERLY HILLS, CA 90210

Purchase Order		
PURCHASE ORDER NUMBER 178221	REVISION 0	PAGE 1
The Purchase Order Number must appear on all order, shipping manifests, packing slips, invoices, and correspondence.		
SHIP TO:	American Red Cross National Headquarters 2025 E Street NW Washington, DC 20006	
BILL TO:	American Red Cross National Headquarters 2025 E Street NW Washington, DC 20006	

VENDOR NO. 1044378	DATE OF ORDER 10-SEP-03	REVISED DATE/BUYER
PAYMENT TERMS NET 30	SHIP VIA	F.O.B.
FREIGHT TERMS	BUYER NAME/TELEPHONE Brand, S 704-943-6907	DELIVER TO: Scott, Patty G

ITEM	PART NUMBER/DESCRIPTION	DELIVERY DATE	QUANTITY	UOM	UNIT PRICE	EXTENDED PRICE
1	I. Purpose: To provide product placement services in accordance with the terms and conditions contained in the attached Contract. II. Term: July 21, 2003 through October 20, 2003. Your #: FY04 BRAND STRATEGY THROUGH PROACTIVE FILM 07/21/03-10/20/03 This PO line references contract #: 175433	20-OCT-03				\$ 20,100.00

SFC-ARC-D000902

IMPORTANT: See Reverse Side For Terms and Conditions.

Sue Brand
 AUTHORIZED SIGNATURE

TOTAL \$ 20,100.00

Receipt of your order is acknowledged and accepted: Acceptance of Purchase Order # 178221

BRAGMAN NYMAN CAPARELLI
 Suppliers Name

Signature of Authorized Official

DATE

Important: Please cut along dotted line, sign, and return this Acceptance to: > American Red Cross
 Charlotte, NC 28241-0700
 P.O. BOX 410700
 National Purchasing Office

American Red Cross

CC

Contract Requisition Form

Department/Division: Communication and Marketing	Contract Type <input type="checkbox"/> Firm Fixed Price <input type="checkbox"/> Blanket Purchase Agreement <input type="checkbox"/> Task Order <input type="checkbox"/> Indefinite Delivery Indefinite Quantity (IDIQ) <input type="checkbox"/> Task Against Contract #:
Requester: Patty Scott	
Phone #: 202-303-4442 Ext:	
FAX #: 202-303-0028	
Date: 07/15/03	

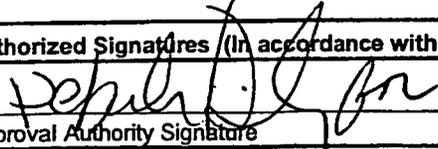
Ship-To Information				Bill-To Information			
Company/Name: American National Red Cross				Company/Name:			
Address 2025 E Street, NW				Address			
ATTN: Patty Scott				ATTN:			
City	State	Zip Code	Country	City	State	Zip Code	Country
Washington	DC	20006	USA				

Supplier Information <input type="checkbox"/> Regulated Services <input type="checkbox"/> Approved Supplier							
Supplier Name: Berman Nyman Cafarelli BRASMAN				Tax ID # (SSN if individual):			
Address 9171 Wilshire Blvd, Suite 300				Contact Name Kevin Jackson		Contact Phone #: 310-274-7800	
City	State	Zip Code	Country	Contact FAX #:		Contact E-mail:	
Beverly Hills	CA	90210	USA	310-274-7838		FWALKER@BNCR.COM	

Special Instructions			
<input type="checkbox"/> Amendment to Contract #	<input type="checkbox"/> Cancellation to Contract #	<input type="checkbox"/> Check Required with Contract	<input type="checkbox"/> PO Close
<input type="checkbox"/> Close PO Line #			

Description of Services:
 Provide assistance to American Red Cross in determining placement objectives and brand positioning through film product placement. The nte is \$18,700.00 which provides \$18k for consulting fees and \$700.00 for out of pocket expenses. Terms of the contract will be July 14, 2003 thru October 14, 2003.

Payment Information			
PO/Invoice Match Request: <input type="checkbox"/> 2-Way <input checked="" type="checkbox"/> 3-Way			
Not to Exceed Amount: \$18,700.00 20,100		Term of Contract: October 14, 2003	
Instructions: Indicate payment by Fiscal Year:			
Fiscal Year	Dollar Amount	Description/Item	Account Code
FY04	\$18,700.00	Brand Strategy through Proactive Film	011-24830-00-0000-59990-0000
	\$ 20,100	Product Placement.	
	\$	Out-of-Pocket Expenses included.	
	\$		
	\$		

Authorized Signatures (In accordance with Appendix C.I, FMPP ARC 4500)		
	Darren Irby, Vice President, Corporate Comm & Marketing	7/15/03
Approval Authority Signature	Print or Type Name and Title	Date
	SFC-ARC-D000903	
Technical Concurrence Signature	Print or Type Name and Title	Date

**2003
SCOPE OF SERVICE
FOR BRAMAN NYMAN CAFARELLI
JULY – OCTOBER**

Client

American Red Cross

Contacts

Kevin Jackson

Christina Cardona

Vanessa Delmurro

ph: 310.274.7800

fx: 310.274.7838

9171 Wilshire Blvd.

Suite 300

Beverly Hills, CA 90210

Contract period: July 14, 2003 through October 14, 2003

Contract fee: \$6,000 per month professional fees and up to \$700 in OOPs

BNC Services Include:

- Brand strategy session - determine placement objectives and brand positioning
- Proactive Film product placement - BNC to provide potential list

TV/Film product placement to include:

- Set visits to pitch ARC storyline integration (five lines of service)
- Proactive review film scripts (avg. 3 per month)
- Studio meetings to discuss ARC placement objectives
- Present potential placement opportunities for approval
- Handle placement negotiation and execution
- Order pos/ship to productions
- Monitor for placements and alert client to hits
- Generate bi-weekly activity recaps
- Secure digital TV clips (3 free - \$30/clip – if requested)
- Secure stills – if available
- Outreach ideation (execution additional fee)
- Promotional Identification (execution additional fee)

Promotions:

If a film were promotionally viable, our promotions department would alert ARC about the opportunity and work with them to create a visibility platform incorporating the following elements: placement, promotion, outreach, and publicity.

Fee: Based on hourly rates, and subject to approval prior to beginning work.

Reporting:

We will provide the following reports:

- + Product Placement Alerts (PP Alerts) – detailing actual exposure
- + Bi-weekly Activity Recap
- + Digital clips of placements will be archived (additional fee)

SFC-ARC-D000904

American Red Cross
National Headquarters
2025 E Street, N.W.
8th Floor/NW8132A
Washington, DC 20006
Ph: 202.303.4222
Fx: 202.303.0032
C: 202.439.0698
E-mail: BonistallR@usa.redcross.org

**AMERICAN RED CROSS
CONTRACTOR AGREEMENT**

The American National Red Cross
2025 E St., NW
Washington, DC 20006

The American National Red Cross shall hereinafter be referred to as "Red Cross."

This "Agreement" consists of this page 1 of the Contractor Agreement and the Standard Terms and Conditions attached hereto as page 2 - 3 and Attachment A.

Name and address of contractor ("Contractor"):

Bragman Nyman Cafarelli
9171 Wilshire Blvd., Suite 300
Beverly Hills, CA 90210

Contractor shall perform the following services for Red Cross ("Services"):

The Contractor will provide product placement services in accordance with the attached Scope of Work, Attachment A, attached and hereto made a part of this Contract.

Contractor shall deliver to Red Cross the following deliverables ("Deliverables"):

Contractor will provide the deliverables outlined within the Reporting Section of Attachment A.

Services shall be performed from July 21, 2003 to October 20, 2003 ("Term").

Red Cross shall pay Contractor \$18,000 for the Services performed and Deliverables delivered hereunder ("Fees"). This does not include Out-Of-Pocket Expenses which will not exceed \$700 per month for each month in the Term.

Red Cross Contact:

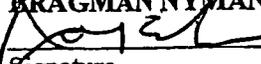
Rachel Bonistalli Sr. Associate,
Entertainment Outreach
(202) 303-4222

Contractor Contact:

Felicia Walker
(310) 274-7800; ext. 292

By signing this Agreement, Contractor represents that Contractor has read and fully understands all of the terms and conditions of this Agreement, including but not limited to the Standard Terms and Conditions attached as page 2 - 3, and that Contractor hereby agrees to all such terms and conditions.

BRAGMAN NYMAN CAFARELLI


Signature

Title

Date

8/25/03

THE AMERICAN NATIONAL RED CROSS


Signature

Title

Date

Contracting Officer
9/08/03

SFC-ARC-D000906

STANDARD TERMS AND CONDITIONS

1. Services, Deliverables and Fees. Contractor agrees to perform the Services and/or deliver the Deliverables as specified on page 1 of this Agreement. Red Cross agrees to pay Contractor the Fees for such Services and Deliverables upon Contractor's successful performance of the Services and Contractor's delivery to Red Cross of acceptable Deliverables.
2. No Assignment; Independent Contractors. Red Cross selected Contractor to perform the Services and/or deliver the Deliverables, as applicable, based upon Red Cross receiving Contractor's personal services, and therefore, Contractor may not subcontract or otherwise assign or delegate its obligations under this Agreement without the prior written consent of Red Cross. Contractor and Red Cross understand, acknowledge, and agree that the relationship of the parties shall in all respects be that of independent contractors.
3. Assignment of Intellectual Property. Contractor agrees that all intellectual property in the Deliverables and in the results of the Services performed hereunder shall belong to Red Cross. Contractor further agrees that all copyrightable works created by Contractor, either solely or jointly with others, in performance of this Agreement shall be treated as "works made for hire" by Contractor for Red Cross as contemplated and defined in Section 101 of the U.S. Copyright Act, 17 U.S.C. § 101. Contractor hereby assigns all right, title, and interest in and to all intellectual property, including but not limited to copyrights, to Red Cross. Contractor agrees to execute, when requested, copyright or similar applications and assignments to Red Cross and any other documents deemed necessary by Red Cross to vest ownership of intellectual property in Red Cross.
4. Representations and Warranties. Contractor represents and warrants to Red Cross that Contractor owns all rights in and to all intellectual property provided by Contractor to Red Cross in performance of this Agreement. Contractor further represents and warrants that such intellectual property does not and will not infringe any patent, copyright, trade secret, trademark, right of privacy or any other right of any third party.
5. Termination. Red Cross may terminate this Agreement at any time in the event Contractor is not performing the Services or delivering the Deliverables in a manner acceptable to Red Cross.
6. Liability and Indemnification. CONTRACTOR EXPRESSLY ACKNOWLEDGES AND AGREES THAT NEITHER RED CROSS, INCLUDING ITS CHARTERED UNITS, NOR ITS GOVERNORS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND VOLUNTEERS SHALL BE LIABLE IN ANY WAY, TO ANY PERSON OR ENTITY, IN CONNECTION WITH THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO THE SERVICES TO BE PERFORMED HEREUNDER AND THE DELIVERABLES TO BE DELIVERED HEREUNDER. Contractor shall indemnify, defend and hold Red Cross harmless, including its chartered units, and its governors, directors, officers, employees, agents and volunteers from and against any and all suits, claims, demands, liabilities, damages, costs and expenses (including reasonable attorneys' fees) arising out of or relating in any way to this Agreement, including but not limited to a breach of any of Contractor's representations or warranties made in this Agreement or arising out of or in connection with alleged or actual infringement of any copyright, trademark, trade secret or any other intellectual property right used by Contractor in performance under this Agreement.
7. Insurance. Contractor shall maintain the following insurance policies for the term of this Contract: (1) A Commercial General Liability policy, endorsed to include Products and Completed Operations and Personal & Advertising Injury, with The American National Red Cross, its operating units, governors, officers, directors, agents, employees, volunteers, customers and invitees named as additional insureds, in the amount of at least \$500,000 combined single limit for each occurrence, written on an occurrence form (not "claims made form"); (2) An auto liability policy with statutory limits for each jurisdiction where the work is required under this Contract and (3) if applicable, Workers' Compensation coverage with statutory limits for each jurisdiction where the work required under this Contract is performed and an employers' liability policy.

For any work done under this contract outside of the United States or its territories, the following requirements shall also apply: The above policies shall be endorsed so that they will respond to claims brought in the courts of United States and of countries in which the work will be performed other than the United States or its territories.

Each policy shall be reasonably acceptable to The American National Red Cross and be written as primary policy coverage and not contributing with, or in excess of, any coverage, whichever is applicable, which The American National Red Cross shall carry; Contractor shall provide The American National Red Cross with certificates of insurance prior to the commencement of services and for as long as this Contract is in effect; in the "Cancellation Clause" the certificate shall

read: in the event of non-renewal of policies, cancellation or material change in the coverage provided, thirty (30) days' prior written notice will be furnished to The American National Red Cross prior to the date of non-renewal or cancellation

8. Survival. The obligations of Sections 3, 4, 6, 8 and 9 of this Agreement shall survive the expiration or termination of this Agreement.
9. Choice of Law and Venue. This Agreement shall be governed, interpreted and enforced in accordance with the laws of the Commonwealth of Virginia, excluding its laws regarding conflicts of laws. The parties agree that any and all proceedings arising out of, relating to, or referencing this Agreement shall be brought in, and only in, the federal district court for the Eastern District of Virginia. Both parties consent to and waive any objection to the jurisdiction and venue thereof.
10. Entire Agreement. This Agreement, including page 1 attached hereto and these Standard Terms and Conditions, constitutes the entire agreement between the parties relating to the subject matter of this Agreement and supersedes all prior and simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may only be amended or modified by a writing signed by both parties.

ATTACHMENT A

2003
SCOPE OF WORK
AMERICAN RED CROSS - (RED CROSS)
JULY - OCTOBER

Bragman Nyman Cafarelli will provide professional services to assist the Red Cross in ensuring the organization is portrayed accurately, appropriately and realistically in scripted television series and feature film productions. BNC will act as a local contact in "Hollywood" and monitor the industry for opportunities and trends. BNC will perform the tasks below to support our overall strategy for monitoring and influencing Red Cross visibility in popular entertainment media.

BNC Services Include:

- Brand strategy session - determine placement objectives and brand positioning. Accomplished through setting 20 television target shows
- Proactive Film product placement - BNC to provide potential list of film opportunities

TV/Film product placement to include:

- Set visits to pitch Red Cross storyline integration (five lines of service)
- Proactive review film scripts (avg. 3 per month)
- Studio meetings to discuss Red Cross placement objectives
- Present potential placement opportunities for approval
- Handle placement negotiation and execution
- Order pos/ship to productions
- Monitor for placements and alert client to hits
- Generate bi-weekly activity recaps
- Secure digital TV clips (3 free - \$30/clip - if requested)
- Secure stills - if available
- Outreach ideation (execution additional fee)
- Promotional Identification (execution additional fee)

Promotions:

If a film were promotionally viable, BNC promotions department would alert Red Cross about the opportunity and work with them to create a visibility platform incorporating the following elements: placement, promotion, outreach, and publicity.

Fee: A firm fixed fee of \$18,000 payable in three (3) installments. This does not include Out-Of-Pocket expenses such as color copies, car transportation expenses, lunch meeting expenses among others which will not exceed \$700 in any given month.

Reporting:

BNC will provide the following reports

- + Product Placement Alerts (PP Alerts) - detailing actual exposure - electronic e-mail attachment
- + Bi-weekly Activity Recap - electronic e-mail attachment
- + Digital clips of placements will be archived as an additional service at the request of Red Cross. The fee for this service will be mutually agreed upon between the parties. Should the service be executed the report will be in a format requested by Red Cross.

SOM/MKTG.

American Red Cross

National Contracting Office, 8th Floor,
2025 E Street, NW
Washington, DC 20006

SUPPLIER: BRAGMAN NYMAN CAPARELLI
9171 WILSHIRE BOULEVARD
SUITE 300
BEVERLY HILLS, CA 90210

Contract Purchase Agreement		
PURCHASE ORDER NUMBER 175433	REVISION 0	PAGE 1
This Purchase Order Number must appear on all order acknowledgements, packing lists, cartons, and correspondence.		
SHIP TO:	American Red Cross National Headquarters 2025 E Street NW Washington, DC 20006	
BILL TO:	American Red Cross National Headquarters 2025 E Street NW Washington, DC 20006	

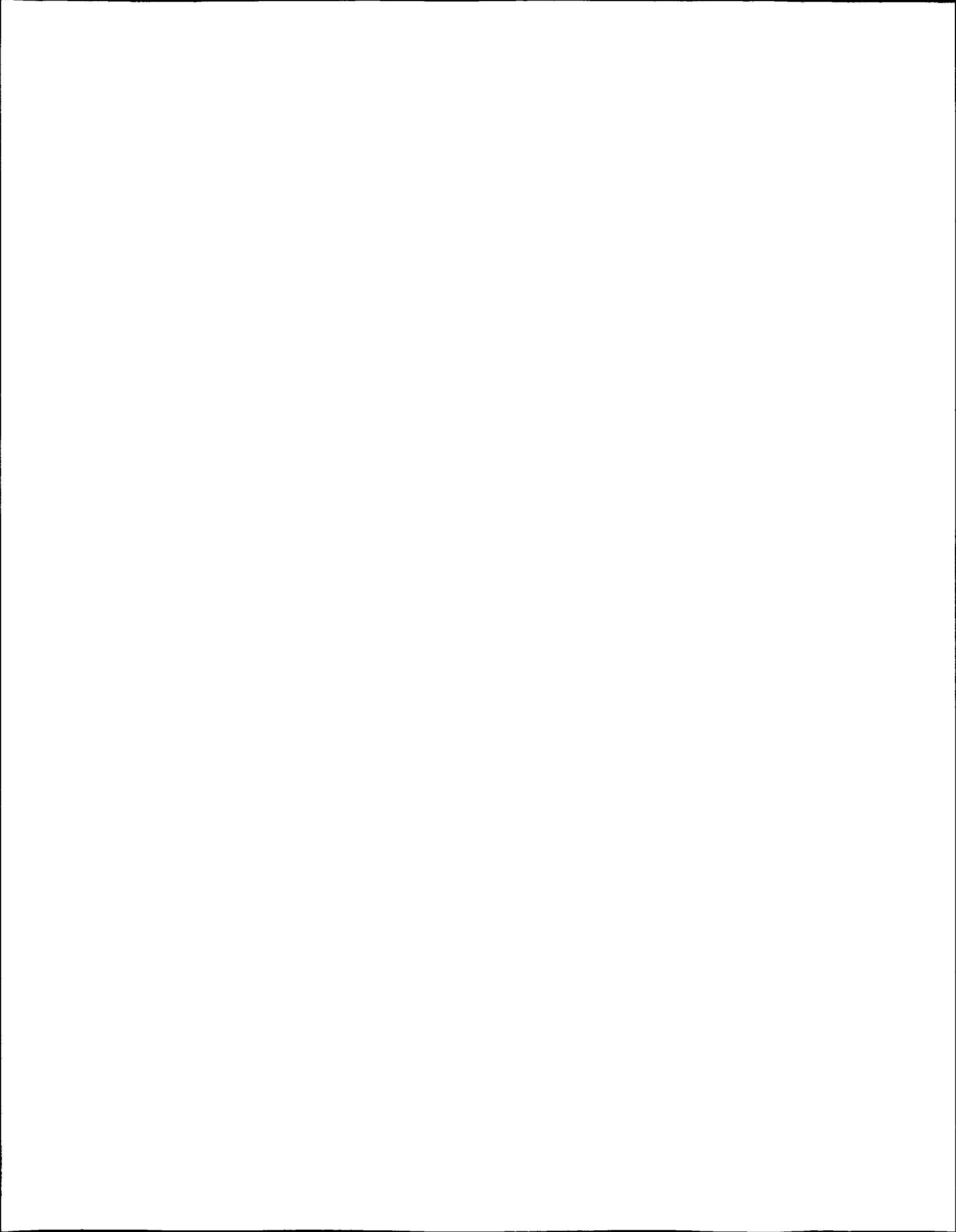
VENDOR NO. 1044376	DATE OF ORDER 18-AUG-03	REVISED DATE/BUYER
PAYMENT TERMS NET 30	SHIP VIA UPS	F.O.B Origin
FREIGHT TERMS	BUYER NAME/TELEPHONE Colbert, C 703-206-8202	DELIVER TO:

CONTRACT SUMMARY

I. Purpose: To provide product placement services in accordance with the terms and conditions contained in the attached Contract.

II. Term: July 21, 2003 through October 20, 2003.

SFC-ARC-D000910



Department/Division: Communication & Marketing/NHQ	Contract Type
Requester: Rachel Bonistalli	<input type="checkbox"/> Firm Fixed Price
Phone #: 202.303.4222 Ext:	<input type="checkbox"/> Blanket Purchase Agreement
Requisition #:	<input checked="" type="checkbox"/> Task Order
Date: 12/01/04	<input type="checkbox"/> Task Against
	Contract #:

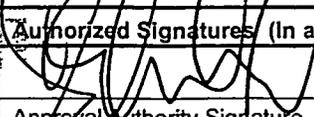
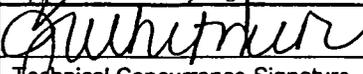
Ship-To Information				Bill-To Information			
Company/Name: Norm Marshall & Associates				Company/Name: American Red Cross			
Address 11059 Sherman Way				Address 2025 E Street, N.W. - 8 th Floor			
ATTN: Devery Holmes				ATTN: Rachel Bonistalli			
City	State	Zip Code	Country	City	State	Zip Code	Country
Sun Valley	CA	91352	U.S.A.	Washington	DC	20006	U.S.A.

Supplier Information <input type="checkbox"/> Regulated Services <input type="checkbox"/> Approved Supplier <input checked="" type="checkbox"/> *Competed <input type="checkbox"/> * Sole Source (* See instructions, pg 2)					
Supplier Name: Norm Marshall & Associates, Inc.			Tax ID # (SSN if individual):		
Address 11059 Sherman Way			Contact Name Devery Holmes		Contact Phone #: 818.982.3505
City	State	Zip Code	Country	Contact FAX #:	Contact E-mail:
Sun Valley	CA	91352	U.S.A.	818.503.1936	devery@normmarshall.com

Special Instructions			
<input type="checkbox"/> Amendment to Contract #	<input type="checkbox"/> Cancellation to Contract #	<input type="checkbox"/> Check Required with Contract	<input type="checkbox"/> PO Close
<input type="checkbox"/> Close PO Line #			

Description of Services:
Contract for services to provide pitching, strategizing and reporting of all pro-active and re-active TV and Film efforts for issue and product integrations.

Payment Information			
PO/Invoice Match Request: <input type="checkbox"/> 2-Way <input checked="" type="checkbox"/> 3-Way			
Not to Exceed Amount: \$80,400.00		Term of Contract: January 5, 2005 to December 30, 2005	
<i>Instructions: Indicate payment by Fiscal Year:</i>			
Fiscal Year	Dollar Amount	Description/Item	Account Code
2005	\$72,000.00	Professional fee for TV & Film pitching and monitoring	011.24830.00.0000
2005	\$8,400.00	Limit of Out-of-Pocket expenses per month for services	011.24830.00.0000
	\$		
	\$		

Authorized Signatures (In accordance with Appendix C.I, FMPP ARC 4500)		
	Darren Irby, Vice President, Public Relations	11/5/04
Approval Authority Signature	Print or Type Name and Title	Date
	Julie Whitmer, Director, Celebrity & Relationship Outreach	11/5/04
Technical Concurrence Signature	Print or Type Name and Title	Date

Mail Completed form to:
 American Red Cross
 National Contracting Office, 8th floor
 2025 E street, NW
 Washington, D.C. 20006

If this contract is signed by a COTR, mail completed form to:
 American Red Cross
 National Purchasing Office
 600 A Forest Point Circle
 Charlotte, NC 28213

SFC-ARC-D000870

THE AMERICAN NATIONAL RED CROSS
TASK ORDER CONTRACT FOR
TELEVISION AND FILM PRODUCT AND ISSUE PLACEMENT SERVICES

CONTRACT NO. 220289

THE AMERICAN NATIONAL RED CROSS
CONTRACTING OFFICE
2025 E STREET N.W.
WASHINGTON, DC 20006

SFC-ARC-D000871

This Professional Services Contract ("**Contract**"), effective as of February 15, 2005 (the "**Effective Date**"), is made by and between The American National Red Cross, a charitable and not-for-profit corporation chartered by Congress, having an office at 2025 E Street, NW, Washington, DC 20006 (the "**Red Cross**") and Norm Marshall & Associates, Inc., a California corporation, having its principal place of business at 11059 Sherman Way, Sun Valley, CA 91352 ("**Contractor**").

The Red Cross desires to engage Contractor to provide certain television and film product placement and issue integration services as more fully described below and Contractor is willing to provide such television and film product placement services to the Red Cross upon the terms and conditions herein contained.

In consideration of the foregoing, of the promises contained in this Contract and of other good and valuable consideration, the Red Cross and Contractor (each, a "**Party**" and collectively, the "**Parties**") intending to be legally bound, agree as follows:

1.0 SERVICES TO BE PROVIDED BY CONTRACTOR

1.1 Using its best skills and attention, the Contractor will provide to Red Cross pro-active and re-active product and plot integration services for television ("**TV**") and film visibility (collectively, "**Services**"), as more specifically described below in Sections 1.1 through 1.15. Contractor will endeavor to build public awareness of Red Cross services to a broad audience in the hopes of expanding fund-raising and support through blood donation, volunteerism and training course participation for the organization. Contractor will work to have Red Cross consistently part of disaster relief portrayals on TV and in films and to gain exposure for other lines of service ("**LOS**") thereby increasing relevance of the Red Cross mission to viewers young and old.

1.2 Definitions. For the sake of clarity, the following words shall have the following meanings when used in this Contract:

(A) "**PRODUCTS**" is defined as Red Cross brands, packaging, name, logo, advertising, (i.e. billboards, tag lines, commercials), identity or identifying materials.

(B) "**PLACEMENT**" is defined as a propping or clearance plot involvement opportunity made by Contractor to a production company for use of Products or portrayal of Red Cross services under the terms of this Contract.

(C) "**PRODUCTION**" is defined as a feature film, movie of the week or episode of a television series, special or other program.

(D) "**VISIBILITY/(IES)**" is defined as successful Placements confirmed by Contractor staff upon release or airing of a Production. Visibilities include both (i) visual exposure of a Product, (ii) oral references to Red Cross in a Production and/or (iii) plot involvement incorporating Red Cross services or functions in a Production.

1.3 Contractor will conduct a thorough review and understanding of the Red Cross brand, mission, LOS, LOS message sensitivities and constraints, organizational structure, strategic goals and initiatives, business priorities and supplied market research.

1.4 Contractor will develop a marketing plan for TV and film product placements, mentions and or issue integrations. This marketing plan will include creative and strategic guidance to accomplish TV and film visibility goals through tactics such as, but not limited to:

- pitch kit/letter development
- relationship building
- TV/film property target list generation
- coordination of meetings with film/show writers/production staff
- coordination with production for materials or information delivery

- managing legal release process (required with every inclusion)
- identifying publicity opportunities beyond production such as cross-promotions with theatrical release, DVD release and/or film premiers.

1.5 Contractor understands that the objective of the Services provided is to:

- Demonstrate Red Cross relevance to current and prospective supporters.
- Increase awareness for the need to donate blood, time and money.
- Build the Red Cross brand and re-establish an emotional connection to the work of the organization with a wide age-range of audiences (ages 18-65).
- Create production relationships that demonstrate support for the Red Cross mission and are open to extending the placement beyond the production into broader publicity or visibility for Red Cross.

1.6 Product Integration Representation. The product integration services provided by Contractor to Red Cross include the following:

- (A) Contractor will represent Red Cross to Production companies and Production personnel that are preparing for the filming of Productions. Contractor's express intent will be to influence said Production personnel to expose Red Cross, Products and Red Cross services in appropriate Productions.
- (B) Contractor will, whenever possible, negotiate screen credits for Red Cross. Contractor must obtain Red Cross approval of all screen credits in substance and form.
- (C) Contractor will review film scripts for positive Visibility opportunities.
- (D) Contractor will review Red Cross Release Form ("Release Forms") (**Attachment A**) with Production companies and Production personnel as warranted. All final Release Forms will be reviewed and executed by Red Cross.

1.7 Product Placement Guarantee. Contractor guarantees that it will generate a minimum of five (5) Visibilities for Red Cross in Productions generated from Placements made by Contractor each year during the Term ("Visibility Guarantee"). Should Contractor under deliver the agreed number of actual Visibilities, Red Cross may, at its sole discretion, suspend Contractor's retainer payments. Contractor will continue to service the Red Cross account until the minimum number of Visibilities is achieved.

1.8 Production Release Patterns. Red Cross recognizes that Contractor has no control over the release pattern or airing of Productions. Red Cross recognizes that the average gestation period for a feature film production start to release can be as much as twenty-four (24) months. Accordingly, it is foreseeable that Visibilities will result in Productions released or airing subsequent to the term of this Contract and shall count toward the Visibility Guarantee defined above.

1.9 Quarterly Reports. Contractor will forward quarterly reports to Red Cross, or make these reports available on the Direct Data System (as defined below), detailing Contractor's efforts on behalf of Red Cross. Contractor reports will include the following information on Visibilities as it becomes available:

- (A) Production in which Product was placed
- (B) Star/Director
- (C) Intended release mode (e.g., theater, cable, home video/dvd, network)
- (D) Release date of Production
- (E) Exposure time of Product in Production
- (F) Still photographs and/or video clips
- (G) Materials/Products placed
- (H) Value of Product or issue placement accomplished
- (I) Estimated national viewing audience
- (J) Box office revenue (theatrical) and ad equivalent cost (TV)

1.10 Annual Reports. Contractor will produce a videotape highlighting Red Cross film and television Visibilities during the Term. Contractor will also produce a written year-end report detailing overall summary of Visibility and value of efforts for TV and film.

1.11 Direct Data System. Contractor will create and maintain a private, password-protected extranet website, herein referred to as "Direct Data System," for the purposes of reporting Contractor's activities to Red Cross. Red Cross will have access to the web site 24 hours a day, 7 days a week less required system downtime for maintenance and service upgrades. Direct Data System reporting of Contractor's activities will include a chronology of Contractor's interactions with Production, and will outline all activities and the status of all Placement opportunities. Contractor is required to update the Direct Data System weekly at a minimum.

1.12 Content Integration Fees. Red Cross recognizes that the placement of Red Cross Products and/or Red Cross involvement in major Productions can become competitive among other brands. Accordingly, in some instances in order to obtain a high profile Visibility of Red Cross in a major Production, Red Cross may choose to pay a "Content Integration Fee" to content rights holders (i.e. filmmakers, studios). In such cases, Contractor will negotiate the lowest possible fee on behalf of Red Cross and obtain Red Cross's written approval in advance of submitting an offer to the content rights holders. Red Cross recognizes that Contractor has no control over the release pattern or airing of Productions. Any outstanding obligations of Red Cross to make Content Integration Fee payments are guaranteed by Red Cross, as long as the Content Integration Fee is agreed to by Red Cross in writing, and shall survive the term of this Contract. Contractor will seek out Content Integration Fee opportunities for Red Cross as part of Contractor's Services. However, Contractor's negotiation, management and execution of such opportunities may be subject to additional "Content Integration Management Fees." All Content Integration Management Fees shall be quoted by Contractor and authorized in writing by Red Cross prior to submission of Content Integration Fee offers to content rights holders. Contractor understands that Red Cross is a non-profit organization and does not make it a practice to pay Content Integration Fees, and in light of such, will make all attempts to negotiate the placement of Red Cross Products and Red Cross involvements in Productions as a public service promotion with no required Content Integration Fees.

1.13 Collateral materials. Red Cross will establish a budget for product and collateral materials to be used by Contractor as incentive for film companies to expose Red Cross Products in their films, the amount of which shall be in the sole discretion of Red Cross.

1.14 Inventory Levels. Red Cross agrees to provide Contractor inventory support for specific items as deemed appropriate and agreed to in writing by Contractor and Red Cross for distribution from Contractor warehousing locations. Red Cross will use commercially reasonable efforts to make sure the level of Product inventory available is sufficient and updated for propping and supply needs of Production companies. Specific items of inventory may include posters, other printed collateral or props. Items such as, but not limited to, uniforms, signage, hard hats and identification items will be supplied to Production companies by Red Cross on an as needed basis.

1.15 Return of Product. Contractor will use commercially reasonable efforts to ensure that Products used for Placement are returned to Red Cross at the end of use less an anticipated attrition rate of 10 - 20%, (ii) For hygienic purposes, all clothing, personal care and first aid Products offered to Productions are considered gifts. Any inventory of this nature not distributed to Productions will be returned to Red Cross. Additional items not requiring return to Red Cross will be agreed upon with Contractor in writing prior to release for Production. At the termination of this Contract, Contractor will ensure that any inventory remaining at Contractor's warehousing locations will be returned to Red Cross.

Sections 1.1 through 1.15 shall collectively be referred to as "Services."

2.0 TASK ORDERS

Additional marketing services and project work outside of the scope of this Contract will be performed in accordance with an executed task order in substantially the same format as set forth in Attachment B ("Task Order").

2.2.1 Upon Contractor's receipt of a request for a Task Order by the Red Cross Administrative Representative, Rachel Bonistalli, telephone number 202-303-4222, e-mail address BonistallR@usa.redcross.org ("AR") the Contractor shall provide the Red Cross AR with a written proposal that details the services and deliverables Contractor offers to provide in response to the Task Order.

2.2.2 Based upon the AR's Task Order request and the Contractor's written proposal, the Contracting Officer (as defined in Section 24.2) will develop a Task Order for execution by the Parties.

2.2.3 Upon the execution of the Task Order by both Parties, the Contractor shall commence and complete the services and deliverables required by the Task Order in accordance with requirements set forth in the Task Order.

2.2.4 Red Cross will not pay the Contractor for any services performed outside of the scope of this Contract, prior to the execution of a Task Order.

2.2.5 Contractor understands and acknowledges that all Task Orders will be awarded based on the above procedure and there is no guarantee that any Task Order will be issued to the Contractor pursuant to this Contract.

3.0 PLACE OF PERFORMANCE

The place of performance for this Contract is Contractor's place of business. Travel expenses will be reimbursed as out of pocket expenses as outlined in Section 6.0. Any additional travel expenses must be approved by Red Cross in writing and are only reimbursable in accordance with the Red Cross Travel Reimbursement Policy Attachment C.

4.0 ACCEPTANCE

The Red Cross will approve, or disapprove with written modifications, the Services performed in accordance with the criteria and terms set forth in this Contract. The Red Cross reserves the sole and exclusive right to determine the acceptability of the Services provided by Contractor. Unacceptable Services will be corrected at no additional cost to the Red Cross.

5.0 TERM AND TERMINATION

5.1 This Contract will begin on February 15, 2005 and expire on February 14, 2006 unless otherwise terminated sooner in accordance with this Contract (the "Term").

5.2 The Red Cross and Contractor may mutually agree to extend the Term of this Contract for an additional year by written notice to Contractor within thirty (30) days of the expiration of the Term ("Extension"). The Extension period is subject to the terms and conditions of this Contract, including without limitation, this Section 5.2. The total duration of this Contract, including the exercise of any options under this clause, may not exceed three (3) years.

5.3 Either Party may terminate this Contract or any Task Order, in whole or in part, by providing sixty (60) days' prior written notice of its intention to terminate to the other Party. The liability of the Red Cross for such termination will be limited to payment for Services performed as of the effective date of termination.

5.4 Either Party may terminate this Contract or any Task Order, in whole or in part, if the other has failed to fulfill any one of its obligations under this Contract (the "Breaching Party"). In the event the Breaching Party is the Contractor, the Red Cross must provide thirty (30) days written notice to allow the Contractor to cure the breach. In the event the Breaching Party is the Red Cross, Contractor must provide thirty (30) days written notice to allow the Red Cross to cure the breach. The Contract will terminate if the Breaching Party fails to cure the breach after the expiration of the requisite cure period.

5.5 If any of the Regulations (as defined in Section 8.1.1 below) is amended in a way that precludes a Party from lawfully performing its obligations under this Contract or any Task Order, either Party may terminate this Contract or any Task Order effective upon the effective date of such amended Regulation.

5.6 The Red Cross may terminate this Contract or any Task Order as set forth in Section 16.1.

5.7 In the event this Contract or any Task Order is terminated, Contractor agrees to immediately cease all Services and turn over all finished and unfinished deliverables to the Red Cross.

5.8. The rights and remedies provided in this section are not exclusive and are in addition to any other rights and remedies provided by the Regulations or this Contract.

5.9 Unless otherwise provided in this Contract, In the event of any termination or expiration of this Contract, Section 5.9 and Articles 8.0, 9.0, 10.0, 11.0, 12.0, 13.0, 14.0, 15.0, 17.0, 18.0 and 22.0 will survive indefinitely.

6.0 COMPENSATION AND INVOICES

6.1 In consideration of Contractor's provision of Services, Red Cross shall pay Contractor:

- \$6000.00 per month as a retainer for Services as described in this Contract ("Retainer").
- In addition to the Retainer, Red Cross will reimburse Contractor a maximum amount of \$8,400 per year for out of pocket expenses. Out of pocket expenses include, but are not limited to, shipping and courier costs, collateral material costs (i.e. signage artwork, customized props that cannot be constructed or designed by the filmmaker), travel and incidental costs incurred by Contractor hereunder. All such expenses greater than five hundred dollars (\$500.00) will require Red Cross written approval in advance of expenditure.

Additional marketing services and project work outside of the scope of this Contract will be performed and paid for in accordance with an executed Task Order.

Contractor will not receive more than \$80,400.00 during the Term for Services rendered in accordance with this Contract. Additional marketing services may be added as individual Task Orders and will not exceed an additional amount of \$19,600.00. Notwithstanding the foregoing, Contractor will not receive more than \$100,000 for all Services rendered in accordance with this Contract and all services and deliverables rendered in accordance with all Task Orders issued under this Contract.

6.2 Contractor must submit invoices to the Red Cross before payment will be made. To ensure prompt payment, Contractor will submit an invoice to the following address:

Rachel Bonistalli
American Red Cross
Celebrity and Relationship Outreach
2025 E Street, NW
Washington, DC 20006

Each invoice must contain the following information:

- Contractor's name and address
- The Contract and/or purchase order number
- Task Order number
- Project name

- A description of the Services and/or deliverables and the dates of performance or delivery
- Payment terms
- Any additional information required by this Contract

6.3 The Red Cross will make payment to Contractor within forty-five (45) days of the receipt of an accurate invoice.

6.4 Contractor agrees that submission of an invoice to the Red Cross for payment is a certification that all Services and/or deliverables reflected on such invoice were performed in accordance with this Contract and any applicable Task Order(s).

7.0 DELAY; FORCE MAJEURE

7.1 Contractor must notify the Red Cross, in writing, immediately upon learning, or otherwise becoming aware, of any unusual and extraordinary difficulties that may delay the delivery of Services and/or deliverables. Such notification must identify the reason for the delay, as well as the anticipated period of delay. Failure to provide timely notice to the Red Cross will disqualify Contractor from receiving:

7.1.1 any extension of time to perform the Services or provide the deliverables, or,

7.1.2 any additional compensation that may arise out of the Contractor spending any additional time to perform the Services or provide the deliverables as a result of the delay.

7.2 Each Party may be excused, without penalty, from any delay in performance or from failure to perform in accordance with this Contract or any Task Order issued hereunder, to the extent that such delay or failure results from causes beyond the reasonable control of such Party, and without fault or omission. Such excusable delays include, but are not limited to, delays caused by fires, floods, epidemics, quarantine restrictions, acts of terrorism, strikes, freight embargoes and unusually severe weather conditions. If such excusable delay extends beyond thirty (30) days either Party may terminate this Contract, or the applicable Task Order, immediately upon written notice to the other Party, without additional cost or penalty.

8.0 REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Contractor hereby represents, warrants and covenants that:

8.1.1 All Services performed and deliverables provided pursuant to this Contract and any Task Order will conform to the requirements of the Task Order, this Contract, and the highest standards observed in the industry for similar services and deliverables, as well as any and all applicable and then-current laws, rules and regulations ("Regulations").

8.1.2 It will use commercially reasonable efforts to perform all Services and provide all deliverables in a timely and professional manner by qualified professional personnel.

8.1.3 The Services performed and deliverables provided under this Contract do not and will not contain any libelous material, or, infringe upon or violate any Regulations (including without limitation, patent, copyright, trademark, moral rights, semiconductor chip protection or unfair competition law); any license; proprietary information; non-disclosure, trade secret, intellectual property or other right of any third party; or right of privacy.

8.2 If the deliverables, materials or information, including any components of the deliverables, materials, or information may or actually become the subject of an intellectual property infringement claim ("Infringing Deliverables"), Contractor may:

8.2.1 substitute the Infringing Deliverables with similar modifications that are satisfactory to the Red Cross, or

8.2.2 obtain the right for the Red Cross to continue using the Infringing Deliverables. If the use of the Infringing Deliverables by the Red Cross is prevented by a permanent court action, or, if Contractor cannot obtain the right for Red Cross to continue using the Infringing Deliverables at a reasonable cost, then Contractor agrees to take the Infringing Deliverables and refund the total amount the Red Cross has paid Contractor under the applicable Task Order, less one percent (1%). Contractor will provide payment to the Red Cross in immediately available funds to the address provided by the AR within thirty (30) days after the Parties determine that such refund is warranted.

8.3 Each Party agrees that:

8.3.1 it is organized, validly existing and in good standing under the Regulations of the jurisdiction in which it was organized,

8.3.2 this Contract, and all Task Orders, when executed and delivered by it, will be the legal, valid and binding obligation of it, enforceable against it in accordance with the terms,

8.3.3 the execution, delivery and performance of this Contract or any Task Order by it do not and will not (i) conflict with, or constitute a breach or default under its incorporation documents or any material agreement, contract, commitment, or instrument to which it is a party or (ii) require the consent, approval or authorization of, or notice, declaration, filing or registration with, any third party or any governmental or regulatory authority, and

8.3.4 it has not previously granted and will not grant any rights to any third party (including a subcontractor of Contractor) which are inconsistent with the rights granted herein.

8.4 Red Cross hereby represents and warrants that Red Cross owns all right, title and interest (or has the right to grant licenses to) all Products provided to Contractor by Red Cross for Placement purposes. Red Cross acknowledges that it is Red Cross' sole responsibility to obtain any necessary licenses, releases or permissions associated with Products provided to Contractor by Red Cross under this Contract.

9.0 OWNERSHIP OF MATERIALS

Anything prepared by the Contractor pursuant to this Contract or any Task Order issued under this Contract, including without limitation, the deliverables, market research materials, tracking reports, market strategies, reports, materials, manuals, studies, photographs, negatives, creative slides, placement alerts, pitch kits, pitch letters/materials or other documents ("Materials") are the exclusive property of the Red Cross. Materials will not include (i) any of Contractor's proprietary systems, databases or technology adapted by Contractor for Red Cross ("NMA Proprietary System") (excluding any Red Cross data or content contained in the NMA Proprietary System), and (ii) any Third Party Property or opportunities presented by Contractor to Red Cross. The Red Cross has unlimited rights in such Materials, including without limitation, the right to use, duplicate, or disclose the Materials for any purpose (and to permit others to do so). Contractor will not use or allow the use of the Materials for any purpose other than the Contractor's performance pursuant to the Contract or applicable Task Order, without the prior written consent of the Red Cross. Upon request, Contractor will return all Materials to the Red Cross on or before the completion, expiration or termination of this Contract or the applicable Task Order.

10.0 INTELLECTUAL PROPERTY

10.1 Contractor agrees that the Red Cross will own all right, title and interest in and to the Materials (including elements thereof and derivative works) created by Contractor pursuant to this Contract or any Task Orders issued

under this Contract, all elements thereof, and all derivative works ("Property"). Property will not include (i) the NMA Proprietary System (excluding any Red Cross data or content contained in the NMA Proprietary System), and (ii) any Third Party Property or opportunities presented by Contractor to Red Cross. All right, title and interest in and to the Property is vested solely and exclusively in the Red Cross. Contractor has no residual rights in the Property. Contractor agrees that all works capable of being copyrighted that are created by Contractor, either solely or jointly with others, pursuant to this Contract, are "works made for hire" as contemplated by and defined in Federal copyright Regulations. Contractor agrees to transfer, convey, and assign in perpetuity to the Red Cross, any and all rights, title, and interest that Contractor may have in the works that may be copyrighted.

10.2 Contractor will notify Red Cross when it incorporates any third-party materials or third party intellectual property (collectively, "Third Party Property") with any limitations, into any Materials or Property provided to the Red Cross. For the avoidance of doubt, unless otherwise stated in writing by Contractor, all scripts, script synopsis, film clips, production and release schedules, and all other studio and production materials provided by Contractor to Red Cross are Third Party Property. Red Cross acknowledges that unauthorized use of Third Party Property may infringe rights of third parties not owned or affiliated with Contractor. At Red Cross's direction, Contractor will assist Red Cross in its efforts to secure any and all necessary sublicenses or direct licenses for the Third Party Property in the name of the Red Cross, to be held by the Red Cross in perpetuity.

10.3 Contractor will not use, allow, or cause to have Property used for any purpose other than performance of Contractor's obligations under this Contract or a Task Order issued under this Contract, without the prior written consent of the Red Cross. Contractor will not release, reproduce, distribute, or publish any Property first produced in the performance of this Contract or a Task Order issued under this Contract or assigned herein to the Red Cross, nor authorize others to do so, without prior written permission of the Red Cross.

10.4 Contractor will assist Red Cross, at the expense of the Red Cross, to obtain and enforce all patents, copyrights, trade secrets, and all other intellectual property rights in and to the Property in all countries in order to benefit the Red Cross. Contractor agrees to execute, when requested, patent, copyright, or similar applications and assignments and any other documents deemed necessary by the Red Cross in order to vest ownership of Property in the Red Cross. Contractor's obligation under this Section 10.3 will survive termination or expiration of the Contract and the applicable Task Order.

11.0 ACCESS TO CONTRACTOR'S FILES

11.1 Contractor will provide the Red Cross and its agents access to all files, accounts, records, contracts and other documents related to this Contract upon thirty (30) days prior notice during the Term and for the longer of two (2) years after expiration or termination of the Term, or, the time period required by the Regulations.

11.2 The obligations set forth in this Article 11.0 are supplemental to any federal or state legal requirements and should not be read to be in lieu thereof.

12.0 INDEPENDENT CONTRACTOR

Contractor is furnishing its Services hereunder as an independent contractor, and nothing herein creates any association, partnership or joint venture between the parties hereto or any employer-employee relationship.

13.0 INDEMNITY AND HOLD HARMLESS

13.1 Red Cross shall indemnify, defend and hold harmless Contractor, its officers, directors, employees and agents from and against all suits, claims, demands, liabilities, damages, costs and expenses (including reasonable attorneys' fees) resulting from a third party claim of infringement for Contractor's authorized use of Products provided to Contractor by Red Cross under this Contract.

13.2 Contractor shall indemnify, defend and hold harmless Red Cross, its governors, officers, directors, agents, employees, volunteers and their respective successors and assigns (the "Red Cross Indemnitees") from and against all losses, liabilities, suits, claims, costs, expenses (including reasonable attorneys' fees and court costs) demands, fines, penalties, judgments, damages and causes of action that may be or are asserted or claimed against Red Cross Indemnitees, or incurred by the Red Cross Indemnitees, that: (i) arise from, or is attributable to, any act or omission of Contractor, its subcontractors or material suppliers (at any tier) or their respective directors, officers, employees and agents in connection herewith, or; (ii) result from any breach or violation by Contractor, its directors, officers, employees or agents of any representation, warranty or covenant made herein or in connection with this Contract or (iii) involve an allegation of infringement of any patent, trademark, copyright, or other intellectual property right or trade secret of a third party as well as any allegation of libel, slander, invasion of privacy, any failure to obtain a necessary release, permission or clearance, or any other cause of action or claim arising out of the Materials, Property or deliverables, and elements thereof, provided by Contractor to Red Cross under this Contract.

14.0 INSURANCE

14.1 Contractor will maintain the following insurance policies in full force and effect for the term of this Contract and thereafter for not less than one (1) year:

14.1.1 a Commercial General Liability policy endorsed to include Products and Completed Operations Liability and Personal & Advertising Injury Liability with the Red Cross Indemnitees as additional insureds; the amount of the policy will be at least \$1,000,000 combined single limit for each occurrence and; this will be written on an occurrence form (not "claims made form");

14.1.2 a Professional Liability Insurance policy (Errors and Omissions Insurance) in an amount not less than \$1,000,000 each claim insuring claims arising from performance of Services to the Red Cross as defined in this Contract and related material, including, but not limited to, coverage for all expenses, including attorney's fees, incurred in the investigation, negotiation, arbitration, and defense of any suit or claim for damages including lost earnings of the Red Cross;

14.1.3 an auto liability policy including coverage for owned, non-owned and hired vehicles and uninsured and under-insured motorists coverage in an amount not less than \$1,000,000 with the Red Cross Indemnitees as additional insureds; and

14.1.4 a Workers' Compensation policy covering all employees provided under this Contract and having statutory limits for each jurisdiction where the work required under this Contract is performed, and an Employers' Liability policy with at least the following limits, \$250,000 per accident, \$500,000 per disease and 250,000 per disease (each employee).

14.2 Contractor will, at its sole expense, keep in force valid and enforceable policies of insurance as specified in this Contract and as required by statute, with carriers currently rated by A.M. Best at A+10 or higher and licensed in the states in which the work of this Contract is being carried out, and such policies will be written as primary policy coverage and not contributing with, or in excess of any insurance coverage which the Red Cross may maintain. Contractor will provide the Red Cross with such certificates of insurance evidencing all of the above coverages and conditions (types and amounts) prior to the commencement of work, and renewal certificates within ten days of expiration or non-renewal of the policies required; in the "Cancellation Clause" the certificate will provide for not less than thirty (30) days prior written notice to the Red Cross of non-renewal of policies, cancellation or material change in the coverage provided which reduces the amount, terms or conditions below that required herein, prior to the date of such non-renewal, cancellation or change.

15.0 CONFIDENTIALITY; TRADE NAMES; LOGOS

15.1 **Obligation.** Each Party (the "**Recipient**") shall at all times keep secret and confidential (and shall not disclose, disseminate, transfer, reveal or otherwise make available to any third party) and shall not use for its own purposes any business, operational, technical or commercial information clearly identified in writing as "Confidential" ("**Confidential Information**") disclosed directly or indirectly, whether orally or in writing or in any physical or visual form, to it by the other Party (the "**Disclosing Party**") or otherwise belonging to the Disclosing Party and disclosed during the term of this Contract. Confidential Information shall include all information of a confidential or proprietary nature, clearly identified in writing as "Confidential," and regarding (without limitation) trade secrets, Third Party Materials, advertising matters, ideas, plans, techniques, accounts, Products, business, customers, methods of operation, Production scripts or materials.

15.2 **Exceptions.** The obligation of confidentiality contained in Paragraph 15.1 shall not apply or (as the case may be) shall cease to apply to Confidential Information which:

- (A) is in the public domain at the time of disclosure or becomes part of the public domain without breach of this Contract by the Recipient; or
- (B) is required to be disclosed by order of a court of law or appropriately empowered government agency or competent authority without similar restrictions or other protections against public disclosure; or
- (C) is approved in writing for disclosure by the Disclosing Party, providing that the actual disclosure is in accordance with the approved disclosure; or
- (D) was properly in the possession of the Recipient at the time of disclosure; or
- (E) subsequent to disclosure by the Disclosing Party, the Confidential Information is (i) received by the Recipient from a third party having the legal right to transfer such Confidential Information without the obligation to maintain confidentiality, or (ii) independently developed by the Recipient without reference to the Disclosing Party's disclosure.

16.0 CONFLICT OF INTEREST

16.1 Contractor represents that there is no conflict of interest arising from the Services or deliverables to be provided pursuant to the Contract or the Task Orders issued under this Contract. Contractor will immediately notify Red Cross if any potential or perceived conflict arises. Red Cross reserves the right to terminate this Contract, or the applicable Task Order, in accordance with Section 5.6 without cost to Red Cross if Red Cross determines that a conflict exists.

16.2 Section 16.1 above notwithstanding, the Red Cross acknowledges that the Contractor's business involves providing services to other organizations similar to the Services to be provided to Red Cross under this Contract. Therefore, the fact that Contractor will continue to provide similar services to commercial and non-profit entities will not in and of itself constitute a conflict of interest under this Contract; however, Contractor acknowledges and agrees that a conflict of interest arises immediately upon Contractor performing any types of placement and integration services to, or for, the Salvation Army, United Way, Goodwill Industries, World Wildlife Fund, Second Harvest, Share Our Strength, St. Jude's Children's Research Hospital, Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) and National Transportation Safety Board (NTSB), and Red Cross may determine, in its sole and absolute discretion, to terminate this Contract based on such conflict(s) of interest.

17.0 DISPUTES

In the event that the Parties are unable to resolve any dispute arising between them, the Parties hereby agree to resolve such dispute by arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. If the dispute is filed by Contractor, the place of arbitration shall be

Washington, District of Columbia. If the dispute is filed by Red Cross, the place of arbitration shall be Los Angeles, California. The arbitration panel will consist of three arbitrators, one arbitrator appointed by each of the Parties, and the third arbitrator appointed by the two appointed arbitrators (the "Panel"). The Panel may, at its discretion, provide for discovery by the Parties not to exceed a period of sixty (60) days from the date of filing of the notice of arbitration.

18.0 GOVERNING LAW

This Contract will be governed by the laws of the Commonwealth of Virginia applicable to contracts made and to be performed entirely within such jurisdiction and without giving effect to its choice or conflict of law rules or principles.

19.0 ASSIGNMENT AND SUBCONTRACTING

19.1 Neither this Contract, nor any Task Order issued hereunder, may be assigned by either Party without the express prior written consent of the other Party. Any attempted assignment without such consent will be null and void and of no effect.

20.0 EQUAL EMPLOYMENT OPPORTUNITY

In connection with the performance of Services under this Contract or any Task Order, the Contractor will not discriminate against any employee or applicant for employment because of age, disability, race, religion, color, national origin, sex or any other characteristic protected by the Regulations. The Contractor agrees to abide by all federal, state and local employment and labor law notice posting requirements.

21.0 ENTIRE AGREEMENT AND MODIFICATIONS

This Contract, including all Task Orders, constitutes the entire agreement between the Parties as to the subject matter hereof and supersedes all prior verbal and written agreements. There will be no amendment, modification or waiver of any of the terms and conditions hereof unless in writing and executed by both Parties. Any prior oral or written agreements or proposals are not considered a part of this Contract.

22.0 INTERPRETATION

22.1 Unless otherwise specified, all references to "days" are to calendar and not business days.

22.2 The preamble and attachments to this Contract, all Task Orders, and the terms and conditions incorporated therein are integral parts of this Contract. All references herein to this Contract encompass such preamble, attachments and Task Orders and the terms and conditions incorporated therein.

22.3 In the event of any conflict between the terms of the articles of this Contract and the terms of any of the attachments, the terms of this Contract govern. In the event of a conflict between any Task Order and this Contract, the Contract governs. In the event of a conflict between this Contract and any terms and conditions that may be set forth in any order, proposal, request for proposal, invoice, oral agreement or otherwise, this Contract governs.

23.0 SEVERABILITY

This Contract was drafted with the intent of complying with the Regulations and to the extent possible, will be interpreted in such manner as to be effective and valid under such Regulations. If any provision in this Contract is in clear violation of the Regulations, such provision will be unenforceable and removed from this Contract, with the other provisions remaining in full force and effect. In the event of such removal, the Parties will promptly negotiate in good faith, a lawful, valid and enforceable provision that is as similar as possible to the original

provision. If the Parties are in conflict over whether a provision is in compliance with the Regulations, the disputing Party may immediately invoke the procedure set forth in Article 17.0.

24.0 CONTACTS AND NOTICES

24.1 The AR is responsible for working with Contractor, requesting Task Orders, reviewing, approving and accepting Contractor's provision of Services and deliverables, certifying Contractor's invoices for payment and the overall monitoring of this Contract.

24.2 The Red Cross Contracting Officer is Celia Kearney, telephone number 202-303-8217, e-mail address KearneyC@usa.redcross.org ("Contracting Officer"). The Contracting Officer is responsible for all administrative contractual matters and is the only Red Cross personnel permitted to issue or modify Task Orders, modify this Contract or contractually commit the Red Cross.

24.3 Contractor designates Devery Holmes, telephone number 818-982-3505, e-mail address devery@normmarshall.com as the contact for all administrative and customer service matters related to this Contract.

24.4 All notices provided for in this Contract will be in writing, duly signed by the Party giving such notice, and delivered, mailed by registered or certified U.S. mail or sent by a nationally recognized overnight delivery service, as follows:

To Red Cross: Celia Kearney
National Contracting Office
American National Red Cross
2025 E Street, NW
Washington, DC 20006

With a copy to: Office of General Counsel
American National Red Cross
2025 E Street, NW
Washington, DC 20006

To Contractor: Norm Marshall & Associates
11059 Sherman Way
Sun Valley, CA 91352
ATTN: Norm Marshall

25.0 TAX EXEMPTION

The Red Cross is a not-for-profit, charitable corporation, exempt from the payment of federal excise taxes and state sales and use taxes. Contractor is responsible for requesting from the Red Cross any tax exemption numbers or certificates needed by Contractor.

26.0 RED CROSS PROPERTY

26.1 All property, equipment, products and materials furnished by the Red Cross to Contractor pursuant to this Contract or any Task Order issued hereunder ("**Red Cross Furnished Property**") is the property of the Red Cross. Upon termination or expiration of this Contract, or the applicable Task Order, Contractor is required to return all Red Cross Furnished Property which has come into its possession or control.

26.2 Contractor will take all responsible precautions, as directed by the Red Cross, or in the absence of such direction in accordance with best business practices, to safeguard and protect Red Cross Furnished Property. Contractor assumes the risk and will be responsible for any loss of or damage to Red Cross Furnished Property to

the extent caused by Contractor's negligence, except for reasonable wear and tear and to the extent that such property is consumed in the performance of a Task Order issued under this Contract.

26.3 In addition to Red Cross Furnished Property, Contractor will use reasonable care to avoid damaging existing buildings, equipment, and property at Red Cross sites ("Red Cross Real or Personal Property"). If Contractor damages Red Cross Real or Personal Property, it will replace or repair such Red Cross Real or Personal Property at no expense to the Red Cross, as directed by the Red Cross. If Contractor fails or refuses to make such repair or replacement, Contractor will be liable for the cost of such repair or replacement, which cost may be offset against payments due Contractor.

27.0 AUTHORIZATION TO USE RED CROSS NAME AND EMBLEM

27.1 Subject to the terms and conditions of this Contract, Red Cross hereby grants to Contractor, and Contractor hereby accepts from Red Cross, the nonexclusive right to use the trademarks and service marks ("Red Cross Marks") solely in the United States in connection with the Services provided. Contractor shall obtain Red Cross's prior written approval of all uses of the Red Cross Marks in connection with the Services. Contractor shall provide to Red Cross samples of any labels, packaging, advertising and promotional materials used or intended for use by Contractor that incorporate the Red Cross Marks. Contractor shall not use Red Cross Marks prior to Red Cross's written approval of Contractor's use of the Red Cross Marks.

27.2 Contractor shall not use the Red Cross Marks in any manner that would reflect adversely upon Red Cross or the Red Cross Marks.

27.3 Contractor acknowledges Red Cross's exclusive right, title, and interest in and to the Red Cross Marks. Further, Contractor agrees and acknowledges that its use of the Red Cross Marks shall inure to Red Cross's benefit. Contractor shall not commit, or cause any third party to commit, any act challenging, contesting, or in any way impairing or attempting to impair Red Cross's right, title, and interest in and to the Red Cross Marks, including but not limited to seeking registration of the Red Cross Marks or any confusingly similar mark anywhere in the world or incorporating Contractor's business under the Red Cross Marks or a name confusingly similar to the Red Cross Marks.

27.4 Upon the expiration or termination of this Contract any Task Order or Work Order, Contractor shall cease all use of the Red Cross Marks and destroy all Materials containing the Red Cross Marks. An officer of Contractor shall certify to Red Cross in writing Contractor's compliance with this Section 27.4.

The Parties, acting through their duly authorized officers, have executed this Contract as of the Effective Date.

NORM MARSHALL & ASSOCIATES, INC.

THE AMERICAN NATIONAL RED CROSS

SIGNATURE

SIGNATURE

PRINTED NAME

CELIA KEARNEY

PRINTED NAME

TITLE

CONTRACTING OFFICER

TITLE

DATE

DATE

ATTACHMENT A
RELEASE FORM

**AMERICAN RED CROSS
COPYRIGHT RELEASE**

This COPYRIGHT RELEASE ("Release") is made as of [insert date] ("Effective Date") by and between The American National Red Cross, a federally-chartered non-profit corporation headquartered at 2025 E Street, N.W., Washington, D.C. 20006, ("ARC") and [insert official name of company] headquartered at [insert full address where company is headquartered] ("Licensee") for the purpose of setting forth the terms and conditions under which Licensee may use certain ARC copyrighted materials.

1. **Definitions.** Licensee desires to use the following copyrighted materials in **[insert the medium in which the materials will be used, e.g., motion picture, television show, etc.]** ("Venue"):

- a. American Red Cross poster – “
- b.

(collectively, the "Materials").

2. **License.** ARC hereby grants to Licensee, its successors and assigns, a limited, nonexclusive license solely to display the Materials in the Venue **[insert "from the Effective Date until _____" or if no ending date, insert "in perpetuity"]**. Licensee shall not modify the Materials or create any derivative works of the Materials. Licensee acknowledges and agrees that this Release is only a license to display the Materials in the Venue and does not constitute a transfer of any ownership rights in the Materials. ARC reserves all rights not expressly granted herein.

3. **No Generic Use of Red Cross Symbol.** Licensee acknowledges and agrees that the red cross symbol is a trademark and service mark owned and protected by ARC under trademark law, unfair competition law, anti-dilution law and federal criminal law (see 18 U.S.C. 706). Licensee further acknowledges and agrees that any generic use of a red cross symbol will result in damage to ARC and ARC's rights in and to the red cross symbol. Except for uses of a red cross symbol as displayed on the Materials, Licensee shall not use a red cross symbol in any manner in connection with the Venue.

4. **Expenses.** Licensee shall pay all expenses associated with the display of the Materials in the Venue.

5. **Ownership.** ARC declares that it is the owner of all rights in and to the Materials and has the right to grant the license contained herein.

6. **No Obligation.** ARC acknowledges and agrees that Licensee is under no obligation to display the Materials.

7. **Defamation.** Licensee shall not use the Materials or refer to ARC in any manner that is defamatory, causes embarrassment or casts ARC in a negative light.

8. Liability and Indemnification. EXCEPT FOR LIABILITY ARISING OUT OF ARC'S BREACH OF SECTION 5 OF THIS RELEASE, LICENSEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT NEITHER ARC, INCLUDING ITS CHAPTERS, BLOOD SERVICES REGIONS AND ALL FIELD UNITS, NOR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND VOLUNTEERS SHALL BE LIABLE, TO ANY PERSON OR ENTITY, IN CONNECTION WITH THIS RELEASE. Licensee shall indemnify, defend and hold ARC harmless, including its chapters, blood services regions and all field units, and its directors, officers, employees, agents and volunteers from and against any and all suits, claims, demands, liabilities, damages, costs and expenses (including reasonable attorneys' fees) arising out of or relating in any way to this Release.

9. Entire Agreement. This Release constitutes the entire agreement and understanding between the parties with regard to the subject matter hereof and no amendment, modification or waiver of any of the terms or conditions herein shall be valid unless in a writing signed by both parties.

This Release is agreed to and executed as of the Effective Date.

[INSERT NAME OF LICENSEE]

THE AMERICAN NATIONAL RED CROSS

Signature

Signature

Printed Name

Rachel M. Bonistalli

Printed Name

Title

Associate, Advertising & Ent. Outreach

Title

Date

Date

ATTACHMENT B
SAMPLE TASK ORDER

CONTRACT NUMBER 220289
CONTRACT DATED [CONTRACT DATE]
BETWEEN THE AMERICAN NATIONAL RED CROSS
AND [CONTRACTOR'S NAME]
TASK ORDER NO. XX

This Task Order is issued by The American National Red Cross ("Red Cross") and accepted by [CONTRACTOR'S NAME] ("Contractor") pursuant to that certain Contract by and between Red Cross and Contractor dated [CONTRACT DATE] ("Contract").

The terms and conditions of the Contract apply to this Task Order as if they were included herein and made an integral part of this Task Order.

1. **PROJECT**
Project Name
Term of Task Order
2. **STATEMENT OF WORK**
Complete Statement of Work for this Project will be entered here
3. **SPECIFICATIONS:**
Outline of complete specifications (if required) of project to be completed will be inserted here
4. **PROJECT SCHEDULE:**
Schedule for completion will be entered here.
5. **ACCEPTANCE:** Acceptance of Contractor's services and deliverables will be based on the approval of the final copy, artwork and file submission by the Red Cross Administrative Representative ("AR").
6. **PRICING**
Specific Pricing Structure will be inserted here

Notwithstanding the foregoing, in no event will Contractor receive more than \$**Not To Exceed Amount** will be inserted here rendered in accordance with this Task Order.

7. CONFIDENTIALITY

In accordance with Section 15 of the Contract, the following information is hereby designated as Confidential:

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized officers, have executed this Task Order as of the date first above written.

THE AMERICAN NATIONAL RED CROSS

NORM MARSHALL & ASSOCIATES, INC.

SIGNATURE

SIGNATURE

CELIA KEARNEY

PRINTED NAME

PRINTED NAME

CONTRACTING OFFICER

American National Red Cross
Contract# 220289

TITLE

TITLE

DATE

DATE

ATTACHMENT C

Travel Reimbursement Policy for American National Red Cross Contractors And Consultants

Because The American National Red Cross (Red Cross) is supported by generous donations from the American public, contractors/consultants are required to limit their travel expenditures to levels that are commensurate with the charitable objectives of Red Cross.

The purpose of the following policy statement is to ensure that all contractors/consultants are reimbursed in a fair and equitable manner for all reasonable expenses that are incurred while traveling on behalf of Red Cross.

All expenses incurred by contractors/consultants while performing contracted services for Red Cross must be reasonable, actual (no-mark-up) and must be pre-approved by Red Cross in order for the contractor/consultant to receive reimbursement from Red Cross. All expenses must be separately invoiced to Red Cross. Receipts must be submitted for all expenses above \$35. Note: Contractors/consultants are not to use any Red Cross forms when seeking reimbursement.

Contractor/consultants are strongly encouraged to use the Red Cross travel agent (WorldTravel BTI) to book all pre-approved travel (air, rail, car, and hotel) when WorldTravel BTI offers the lowest price. WorldTravel BTI maybe reached at 877-292-9466.

Air/Rail Travel

Red Cross strongly encourages contractors/consultants who are traveling on business pursuant to a contract with Red Cross use WorldTravel BTI to book travel. WorldTravel BTI will make reservations for a contractor/consultant travel at the lowest logical airfare. The contractor/consultant should compare ticket costs between what they can obtain from their corporation and WorldTravel BTI and use the least expensive airfare.

Air/rail charges booked through WorldTravel BTI must be placed on the contractor's/consultant's credit card. All air/rail tickets issued through WorldTravel BTI are subject to a \$41.04 transaction fee. There are no transaction fees for information calls, schedules, or for air/rail, car, hotel reservations.

Authorized Class of Service

Domestic

All domestic travel must be in Coach Class.

International

The most economical route must be utilized for all international travel. Red Cross contractor/consultants may upgrade from coach/economy to business class between the "international gateway" and their destination if the uninterrupted travel time from travel origin to first or next business destination exceeds eleven (11) hours or more and the business class travel is pre-approved by the Red Cross.

Lowest Logical Air Fare

Contractors/consultants will be reimbursed using the lowest logical airfare. The "lowest logical airfare" is defined as the least costly airfare that uses a regularly scheduled commercial aircraft, using the following parameters:

- routing requires no more than one additional stop over or connection each way;
- departure/arrival must be no more than 2 hour(s) before or after requested time for flights;
- penalty and non-fundable fares must be used, and booked as soon as travel plans are firm. Timing is vital, as substantial savings are available on tickets purchased at least seven (7) to (21) days in advance.

and

- Contractors/consultants may elect to fly a non-stop flight provided that the additional cost is no more than \$100.00 USD per direction of travel.

Contractors/consultants should also consider taking advantage of savings opportunities that can be obtained using alternate regional airports.

Lodging

Within the Washington metropolitan area .

Contractors/ consultants, who are traveling to the Washington, DC area on business pursuant to a contract with the Red Cross must call WorldTravel BTI and reserve rooms at one of the following hotels depending on the location of the place of performance of the services:

Jefferson Park Assignment 8111 Gatehouse Rd., Falls Church VA 22042

Hotel	Rate	Location	Distance from Red Cross office
Residence Inn Marriott	\$135.00 - \$159.00/night*	8125 Gatehouse Rd, Falls Church VA	Next door

* rate is based on length of stay. Longer stays or extended stays may be eligible for the lower rate of \$135.00

2025 E Street and Red Cross Square

Hotel	Rate	Location	Distance from Red Cross office
One Washington Circle Hotel	\$129.00 - \$139.00/night*	One Washington Circle NW, Washington DC	< 7 blocks
Club Quarters Hotel	\$106-\$129/night*	839 17 th Street NW, Washington DC	6 blocks
River Inn	\$129 - \$139/night*	924 25 th Street NW Washington DC	8 blocks

* based on season

Outside the Washington Metropolitan Area

When traveling to a city where Red Cross has preferred hotels, WorldTravel BTI will book the contractor/consultant at the Red Cross preferred hotel. In the event that there is not a Red Cross preferred hotel, WorldTravel BTI will reserve rooms for the contractor/consultant using the Federal per diem as a guideline.

Meals

As with other business travel expenses, reimbursement for meals must be supported by adequate documentation including:

- Name(s), company affiliation(s) and business relationship(s) of all persons in attendance
- Business purpose of meeting and nature of items discussed
- Original, itemized receipts

Personal Meal Expenses - Personal meals are defined as reasonable meals incurred by the traveler when dining alone while on providing services for Red Cross.

Maximum Meal Reimbursement Guidelines - The actual cost of meals, including tips and taxes should generally not exceed \$35.00 per day. The following guidelines must be used:

- Breakfast \$7.00
- Lunch \$10.00
- Dinner \$18.00

Ground Transportation

Contractors/consultants who are traveling on business pursuant to a contract with Red must use the most economical and practical mode of transportation, giving due consideration to factors such as scheduling and distance, in addition to cost. Ground transportation should be shared whenever possible. In all cases, receipts are required for reimbursement.

To/From Airports and Terminals: Contractors/consultants should use the most economical mode of transportation to/from airports, rail terminals, and bus terminals. Contractors/consultants should seek to use the following methods of local transportation:

- buses and subways (before taxis)
- Red Cross shuttle services
- hotel and airport shuttle services

For lower airfares in and out of Baltimore Washington International Airport Red Cross has a contract set up with the following Sedan Service:

- Reston Limousine – 22900 Shaw Road Suite 112-2 Sterling, VA 20166 Phone – (800)-LIMO-141 (800-546-6141) or (703)478-0500

another recommendation is Super Shuttle – (800)-258-3826 or (703)-416-6661.

Rental Cars: Contractors/consultants may rent a car when other forms of transportation are impractical, more expensive, or not available. When traveling in groups, travelers must share cars.

- Red Cross Preferred Vendor: Avis
- Rental Car Categories: Red Cross will reimburse Car rentals up to and including mid-size.
- Refueling: To avoid excessive refueling charges at the rental company, cars should be returned to the car rental agency with a full tank.

Personal Vehicles: Personal vehicles should only be used when it is the most economical means of travel taking into account the extra time and expense involved when using a personal car for long distance travel (e.g., additional nights lodging, meals, mileage, etc.) versus the cost of air fare (the lowest applicable fare between the two points of travel), car rental fees, lodging, meals.

When driving on Red Cross business pursuant to a Red Cross contract, the contractor/consultant must carry a valid driver's license, vehicle registration, and proof of insurance.

- Mileage: Mileage is billed at the standard rate published by the IRS. Once at the Red Cross site or place of performance, local travel will not be reimbursed.

Phone Calls: Only long distance phone calls directly related to services provided under the Contract will be reimbursed.

Any other expenses must be pre-approved by Red Cross.

A \$10.00 transaction fee will be assessed each time a call is made to WorldTravel BTI's emergency number.

Red Cross reserves the right to amend, revise, or modify this policy at any time for any reason, with or without notice.

Are Travel Authorities (TA) completed for contractor/consultants?

No. Non-ARC employees traveling on behalf of Red Cross are not to use TA's. All they must provide a valid credit card to WorldTravel BTI at the time of reservation.

How do I expense my trip?

Upon return from travel, a separate invoice must be submitted to Red Cross for reimbursement. At no time are contractors and consultants to use any Red Cross forms when seeking reimbursement. Original receipts must be submitted for all expenses above \$35.

the extent caused by Contractor's negligence, except for reasonable wear and tear and to the extent that such property is consumed in the performance of a Task Order issued under this Contract.

26.3 In addition to Red Cross Furnished Property, Contractor will use reasonable care to avoid damaging existing buildings, equipment, and property at Red Cross sites ("Red Cross Real or Personal Property"). If Contractor damages Red Cross Real or Personal Property, it will replace or repair such Red Cross Real or Personal Property at no expense to the Red Cross, as directed by the Red Cross. If Contractor fails or refuses to make such repair or replacement, Contractor will be liable for the cost of such repair or replacement, which cost may be offset against payments due Contractor.

27.0 AUTHORIZATION TO USE RED CROSS NAME AND EMBLEM

27.1 Subject to the terms and conditions of this Contract, Red Cross hereby grants to Contractor, and Contractor hereby accepts from Red Cross, the nonexclusive right to use the trademarks and service marks ("Red Cross Marks") solely in the United States in connection with the Services provided. Contractor shall obtain Red Cross's prior written approval of all uses of the Red Cross Marks in connection with the Services. Contractor shall provide to Red Cross samples of any labels, packaging, advertising and promotional materials used or intended for use by Contractor that incorporate the Red Cross Marks. Contractor shall not use Red Cross Marks prior to Red Cross's written approval of Contractor's use of the Red Cross Marks.

27.2 Contractor shall not use the Red Cross Marks in any manner that would reflect adversely upon Red Cross or the Red Cross Marks.

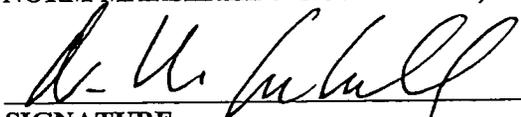
27.3 Contractor acknowledges Red Cross's exclusive right, title, and interest in and to the Red Cross Marks. Further, Contractor agrees and acknowledges that its use of the Red Cross Marks shall inure to Red Cross's benefit. Contractor shall not commit, or cause any third party to commit, any act challenging, contesting, or in any way impairing or attempting to impair Red Cross's right, title, and interest in and to the Red Cross Marks, including but not limited to seeking registration of the Red Cross Marks or any confusingly similar mark anywhere in the world or incorporating Contractor's business under the Red Cross Marks or a name confusingly similar to the Red Cross Marks.

27.4 Upon the expiration or termination of this Contract any Task Order or Work Order, Contractor shall cease all use of the Red Cross Marks and destroy all Materials containing the Red Cross Marks. An officer of Contractor shall certify to Red Cross in writing Contractor's compliance with this Section 27.4.

The Parties, acting through their duly authorized officers, have executed this Contract as of the Effective Date.

NORM MARSHALL & ASSOCIATES, INC.

THE AMERICAN NATIONAL RED CROSS



SIGNATURE



SIGNATURE

Norm Marshall

PRINTED NAME

CELIA KEARNEY

PRINTED NAME

Chairman

TITLE

CONTRACTING OFFICER

TITLE

2/14/05

DATE

2/16/05

DATE