

The Chief Answers Questions on:

AN URGENT MESSAGE AND DECLARATION FROM THE CHIEF
The Vision: Laying the Groundwork for A Strong International Family Network

Originally posted on the clan forum, February 9, 2006

When the letter says that The Clan's societies and associations must have strong standards that are without reproach from outside interests, who are these parties?

We want government agencies and insurance companies to be satisfied that our Clan organizations operate within accepted legal and insurable parameters. We also want them to know there are policies and practices in place that will minimize the possibility of a director or officer abusing the system. In addition, none of us want Clan MacTavish to become the laughing-stock of other Clans – especially those who have already been unkind to us – just because we failed to monitor and improve our standards.

What are some examples of fiscally responsible measures?

Some standardized business accounting practices would be: MyClanTartans and the DHA would each have their own bank accounts, balance sheets and qualified managers who would oversee daily activities. Any person with fiscal oversight responsibility would only hold one elected or appointed role simultaneously. The DHA would create an audit committee, mainly drawn from the general members, to monitor fiscal activities.

What are some examples of standardized business policies and practices?

Directors would be required to respect each other's autonomy within his/her portfolio. Clan members wishing to participate on the Board of Directors but who are neither a descendant of, nor married to a descendant of Clan MacTavish or its Septs, would only hold consulting, non-voting directorships. To avoid potential conflicts of interest, all persons qualifying for consulting directorships would be required to receive prior written approval by the Chief and sign a Non-Disclosure Agreement. Only one member of an immediate family would be able to sit at the same time on the Board of Directors or the Executive.

Why do you would say we need democratically elected directors and officers. Isn't that what we already have?

Before continuing, please know this: We are painfully aware that what we are about to write may well be used against the reputation of myself, our Clan in general and the DHA in particular by parties who do not have our best interests at heart. To them we say that it takes courage to clean house. While we cannot change the past, we can certainly make a difference now.

Steve Stephenson, Chris Stevens and Ernest Thompson are the only elected directors sitting on the board. They were elected during the 2005 Annual General Meeting (AGM) held in Ardrishaig, Scotland on July 24th, 2005. All other officers and directors are either self-appointed or appointed by the self-appointed.

The clan members that worked closely with Chief Dugald MacTavish knew he had sole financial control and managed all clan matters. When he died on June 19th, 2005, those clan members faced a difficult and unenviable situation. How could they take over the clan and yet demonstrate that they were compliant with government regulations when there was no existing documentation to show this? So, three days after his death, these clan members decided a resolution about transition needed to be added to the minutes of a past AGM. To quote one of the clan members: "I think there should be a resolution in 2003 or 2004 stating that at this time, the board is functioning as an advisory board to the CURRENT clan chief, but upon his death or if he wishes to "retire" and with his concurrence, the board of officers will assume all responsibilities for the day-to-day running of the clan. How does that sound?" The emphasis on the word 'current', is in the original. The following day the members reviewed and discussed draft minutes for an AGM that was supposed to have occurred October 15, 2004 at Stone Mountain, Georgia. Changes were incorporated and the final version was ready shortly thereafter. It included a record of the directors and officers that had been 'elected' as well as a speech from their now deceased Chief authorizing the transition from him to the DHA. We also know a meeting actually took place on October 15, 2004 at Stone Mountain and that Chief Dugald MacTavish was

present. It's just that the focus of the real meeting wasn't the same. Also, some of the members shown in the falsified 2004 AGM minutes were not in attendance at the real meeting.

These clan members needed to walk a very narrow path. In the end, I believe they strayed. There were opportunities for redemption, but they were not taken up until recently and then only by a very small minority. We believe it would have been more prudent for these self-appointed officers and directors to have called general elections at the next available opportunity, either by a specially called meeting or at the very least, the 2005 AGM. Instead, they remained silent. Without intervention they can sit on the board until the 2008 AGM.

The only way to regain transparency is to promptly hold general member elections for all directors and officers that were not elected at the 2005 AGM.

Were you aware that any of this was taking place at the time and if so, were you concerned?

Although I knew I was next in line as the Chief, it had been over seven years since I had discussed Clan matters with my father. I was fully prepared for the eventuality that he may have legally and officially transferred the title to another blood relative, a transfer privilege the Chief alone is entitled to make.

In the immediate weeks following my father's death, while I was settling his personal matters and dealing with the shock of his passing, I was under considerable and ongoing pressure by two people who identified themselves to me as the President and Treasurer of the DHA. All I needed to do was to pass over the Death Certificate, his banking details, his computers containing his clan history and his clan membership lists. Once I did this, they said, the DHA would take over. On separate phone calls, the President and Treasurer each indicated it was my father's wish that the DHA run the Clan and that I could get on with my life once I gave them the information they needed. In addition, they were in an unusual bind because my father had been in sole control of the itinerary and travel arrangements for an upcoming trip to Scotland. I was also told that clan members were getting restless and one was even threatening to sue if the DHA did not come through with the trip arrangements. I was mainly concerned that clan members not loose out on their trip or suffer financial penalties. The President and Treasurer's ongoing message was that it was my father's fault to have kept sole control and it would be mine if I allowed the DHA to be sued. As I look back, I realize that in addition to dealing with my personal grief, I was overwhelmed by the enormity of these sudden turns of events. I knew within a short while of my father's death that I was the 27th Chief, but I did not know what that actually meant. My life had fundamentally changed, but to what, I did not know. I am not afraid to admit I was quite naïve. I took these people's word at face value. I assumed that, just because they said they were officers of the DHA that they were legitimately in place. I assumed that when they said they were supposed to run the Clan, that my father had endorsed such a transition scheme and had worked the structure out with them. I did not know at that point that within two weeks of my father's death they had already fabricated the 2004 AGM minutes that self-appointed them.

Near the end of July 2005, just before the trip to Scotland, the Treasurer telephoned me to say that as a 501(c)(3) non-profit organization, the DHA was subject to scrutiny by the IRS. My father was in sole control. They did not have any AGM minutes on hand so they needed to re-create the 2004 minutes to show the transition. Again, I took this at face value. I assumed the board was already in place, the people approved by my father, and that the re-creation was to satisfy government regulations. And, of course, by telling me, I was now implicated.

According to the 2005 AGM minutes, the falsified minutes of the 2004 AGM were read out. One of '2004' directors proposed the minutes be accepted as a true record. In addition, the President raised another issue concerning non-compliance with IRS regulations. As a result, the numbers requiring a quorum were significantly reduced by the introduction of proxies, therefore concentrating the decision making to a select few.

In January 2006, I was given a copy of the 2004 falsified AGM minutes and the correspondence leading to their invention. Other than the fabricated minutes, there is nothing to show my father would have approved the members of the board. His actions show his intention was quite different. Since he was in sole control as President and CEO then perhaps his ultimate intention was to pass the Presidency on to the 27th Chief. We will never know. The process was usurped by the '2004' directors and officers. Rest easy that I do not want to

be the President of the DHA nor do I want to run its daily activities. But it is important to know that the leadership of the DHA is not transparent and most board members are not legitimately elected.

Is this a personal vendetta against certain individuals in the DHA?

No, absolutely not. Quite the opposite. The DHA is subject to the same standards as any other business or charitable organization. We are more interested in getting the association back on track. This is not personal. It is good business practice and it is the only way to survive.

Do you want to take over control of the day to day running of the DHA?

No. I own and operate a successful and very busy retail operation. There just isn't enough time to run the daily activities of the DHA or its future sister organizations that will be operating throughout the world. So how does the relationship work? Let's take newsletters as an example. The bottom line is that over time they will become historical chronicles of Clan activity. They will be read by you and me, our children, our children's children. and, equally as important, by outsiders. Therefore certain standards need to exist. For example, photographs must be respectful, used with permission and be relevant. Written content must contain contributions from and about many and varied clan members. Will I give feedback if standards are not met? Yes. Do I want to create, write, edit, and publish them? No. However, there must be ongoing, open communication between all associations and myself so that standards can be maintained.

Could the DHA separate and maintain its own organization without your authorization?

Yes. But if it cannot use or provide its members with photographs of the Chief or any items and literature containing my coat-of-arms, motto, or logo and it does not have the Chief's favor, what reason does it have to exist?

Do you want the DHA to survive and how quickly will you reinstate its authorization?

Yes. It will be reinstated as quickly as the conditions are implemented. I've given suggested deadlines in my February 1st, 2006 letter to the general membership. The goal is to have everything in place so that participation in games can continue. If a game is scheduled before May 15th, 2006, the state commissioner for those games will need to contact me as soon as possible so we can discuss rights and permissions.

The fiscal policy will be sent to all members shortly so the first stage of implementation can begin.

Please feel free to ask questions on this or any other issue.

I am committed to change. I can only hope you are as well.