UNDEREARNERS ANONYMOUS GENERAL SERVICE BOARD, INC.

Statement of Decision-Making and Financial Findings

Prepared for Disclosure to the UA Fellowship

June 28, 2026 Public Meeting

Preamble

The Big Book of Alcoholics Anonymous states on page 64, “A business which takes no regular inventory usually goes broke. Taking a commercial inventory is a fact-finding and a fact-facing process. It is an effort to discover the truth about the stock-in-trade." Our objective with this document is to move from vagueness into clarity.

This statement is presented by the current board of the UA General Service Board, Inc. (UA GSB, Inc.) to the UA fellowship at a specially designated public meeting on June 28, 2026. It represents the findings of an in-depth review of the organization's decision-making and financial history conducted over the past six to twelve months. As a result, some issues came to light.

As a non-governing body at the bottom of the upside-down triangle the board now presents these findings because the fellowship has a right to know. In addition, it is not within the authority of the board to withhold information.

All findings are drawn from primary source documents including board meeting transcripts, financial records, bank statements, UA GSB Inc. bylaws, as well as emails and other correspondence. Individuals are identified by their organizational titles rather than by name.

Part I: The Quorum Crisis (approximately 2022–2024)

The New York Not-for-Profit Corporation Law (N-PCL) §708 requires that a quorum of the board be present for the board to conduct any business. The bylaws of UA GSB, Inc. establish four trustees as the minimum quorum required for any binding action (UA GSB Inc. bylaws, Section 4.1).

In May 2022, a trustee departed, causing the board to drop below the four-trustee minimum. The board did not restore numerical quorum until October 2024 — a period of approximately two and a half years.

During this period, the board continued to conduct business, making financial decisions, entering into agreements, and taking consequential actions affecting the fellowship, including:

- The issuance of a cease-and-desist letter to members of the fellowship in September 2022.
- The implementation and enforcement of a meeting delisting program beginning in December 2022.
- The authorization of ongoing payments to a Special Office Worker (SOW) totaling approximately $39,985 between June 2022 and October 2024. This figure represents 124% of all incoming donations during that period.
- Legal and procedural actions against service bodies elected by the fellowship.

All binding actions taken by the board during this period are potentially invalid under N-PCL §708 due to the lack of quorum. (See the remediation steps identified in Part VI below.)

At its lowest point in 2024, the board operated with two seated trustees, well below quorum.

Part II: The Related-Party Transaction (July 2022)

In July 2022, the below-quorum board — consisting of three trustees at that time — voted to seat the organization's paid Special Office Worker as a Class B Trustee. While a below-quorum board may seek quorum by adding new trustees, this action created a “related-party transaction” as defined under N-PCL §715.

A related-party transaction is a transaction that creates a conflict of interest. Such transactions required a disinterested quorum. A disinterested quorum is one that does not have a special interest in the decision. Seating a paid employee on the board created a conflict of interest which would have demanded a disinterested quorum to make that decision. A board that was seeking quorum could not by definition be “disinterested.” The Special Office Worker served as a Class B Trustee from July through November 2022.

Part III: Financial Findings

Compensation of the Special Office Worker

Between April 2021 and May 2026, the organization paid its Special Office Worker (SOW) $69,189. This represents 89% of donations received. During the period of quorum failure (May 2022–October 2024), the financial record documents months in which the organization's total income equaled or was exceeded by payments to this individual. In at least one documented month, the SOW was paid approximately $2,988, more than the organization received in donations that month — 296% of monthly income. SOW payments were authorized by a board that lacked the legal authority to authorize expenditures.

Irregular payments of $2,550 each in May and November of 2023, listed as Web Design & Development Fees on the SOW's records, have no documented board authorization. Since October 2024, the Board has been researching the services of and adjusting the payments to the SOW, first substantially reducing payments, and then terminating the SOW as of June 9, 2026.

Financial Access and Control

When the prior board rotated off, and new members of the current board began to be seated (beginning in October 2024 through May 2026), this was the situation for the new board:

- The new board was delayed for several months in gaining control of the bank account. When the former chair's three-month ex-officio period ended in January 2025, the new board still did not have control of the bank account, due in part to a lack of response to requests for help from the former chair, as well as difficulties with the bank itself (the new chair had to go to the bank eight times to become an authorized signer). Full authority for the new board was finalized in March 2025.
- The post October 2024 board had to undertake significant research to identify accounts and then gain control of them. While most accounts including the Post Office Box were under new board control by the summer of 2025, a few issues lingered into 2026, e.g., QuickBooks – the current chair finally gained full control (Super Admin status) in March 2026.
- The organization's QuickBooks financial records were in the hands of the SOW until December 15, 2024, when he first trained the new treasurer team in a video session — the first documented transfer of the organization's bookkeeping system to board control. The SOW retained primary bookkeeping authority over QuickBooks until 2026.
- Three PayPal accounts associated with the organization were identified by the organization's CPA in 2021, one of which was described as unreconciled. The full reconciliation of these accounts with bank records remains an open item.

Current Financial Position

As of May 31, 2026, the organization held assets across five accounts totaling $16,503.68. The majority of these funds are in restricted accounts designated for the

World Service Conference. The operating checking account balance has been critically low at multiple points in recent history.

Part IV: What the Fellowship Was Told

During the period of quorum failure and the financial conditions described above, the fellowship was publicly told that the primary threat to the organization's 501(c)3 status was contact and financial entanglement with the parallel service body that emerged during the rift.

The board's review finds no evidence that contact with the parallel service body constituted a legal threat to the organization's tax-exempt status. The conditions that did create legal and organizational risk (the quorum failure, the related-party transaction, the financial access and control issues) were internal to UA GSB, Inc. and were not disclosed to the fellowship.

Members continued to contribute to the UA GSB Inc. throughout this period without clear explanation of the information above that appears on the record.

Part V: The Current Board

The current board began to be seated in October 2024 and has operated to stabilize the organization including restoring quorum, while locating, sorting through and interpreting a document body that required extensive review. Elements of this historical record, and their significance, began to become apparent to members of the board as early as the beginning of 2025. The board spent time deliberating, evaluating accuracy, and organizing six years of information while initiating and exploring reunification. This picture has become complete only in recent weeks following an initial internal audit.

Part VI: What Comes Next

The board is committed to the following remediation steps:

1. Completion of a financial audit.
2. The full reconciliation of all three PayPal accounts with the Chase bank records.
3. Consulting with NYCON regarding how to handle decisions made during the period when no quorum existed.
4. Review and implementation of appropriate decision-making, policies, and procedures including conflict-of-interest policies and effective financial controls.
5. Continuation of the reunification process as broadly requested by members of the UA fellowship since 2021, and as mandated by the fellowship's vote at the November 2025 Special Convocation.

6. Continued regular financial and decision-making reporting to the fellowship going forward.

This statement was prepared by the UA GSB, Inc. board and presented at the June 28, 2026 public meeting. It is entered into the official minutes of that meeting.

In service,

Rebekah S, UA GSB Class A Trustee, Chair

Wendy S, UA GSB Class A Trustee, Vice-Chair and Secretary

Kimberley W, UA GSB Class A Trustee, Treasurer

Greg K, UA GSB Class B Trustee, Assistant Treasurer

Jeff S, UA GSB Class A Trustee, WSCPC Liaison

Karin, UA GSB Class A Trustee, First Responder

Pink F, UA GSB Class A Trustee

UA General Service Board, Inc.

Underearners Anonymous