

The Passive Club (TPC)

Meeting Minutes for April 21, 2021

Meeting called to order at 11:01 AM	Meeting adjourned at 11:32 AM
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Officers	Name	Officers	Name
<i>President</i>	Jerry Wholihan	<i>Vice-President</i>	Phil York
<i>Treasurer</i>	Manu Pasari	<i>Treasurer (bkp)</i>	
<i>Secretary</i>	Helen Sorser	<i>Secretary (bkp)</i>	

Member Name	Present	Member Name	Present	Member Name	Present
Adam Englebert	<input checked="" type="checkbox"/>	John Janci	<input checked="" type="checkbox"/>	Phil York	<input checked="" type="checkbox"/>
Alan Hull	<input checked="" type="checkbox"/>	Georgeline Mitchell	<input checked="" type="checkbox"/>	Scot Ferman	<input type="checkbox"/>
Bob Mann	<input checked="" type="checkbox"/>	Gerry Wholihan	<input checked="" type="checkbox"/>	Sherry Steinhauer	<input type="checkbox"/>
Carolyn Collins	<input checked="" type="checkbox"/>	Helen Sorser	<input checked="" type="checkbox"/>	Srinivas Ponugoti	<input checked="" type="checkbox"/>
Catherine Chall	<input type="checkbox"/>	Manu Pasari	<input checked="" type="checkbox"/>	Sriram Padi	<input type="checkbox"/>
Damian Stone	<input type="checkbox"/>	Marina Gaikazian	<input type="checkbox"/>	Jody Tarquinto	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	Morresa Meyer	<input type="checkbox"/>	Javarri Little	<input type="checkbox"/>
	<input type="checkbox"/>	Percy Antonio	<input checked="" type="checkbox"/>		

1. Helen reviewed meeting minutes from 03/17/2021:

Al motioned to accept
 John second, no one opposed
 Motion passed.

2. Current Months Treasurer’s Report was reviewed by Manu:

Available Cash for investment \$ 644.74
 Marina missed the pay
 \$32 insufficient funds were handled
 Al second, no one opposed
 Motion passed.

3. Portfolio Action – Buys/Sells:

Order date	Status	Symbol	Name	Transaction type	Dollars/Shares	Executed price	Action
04/21/2021	Executed	VWO	VANGUARD FTSE EMERGING MARKETS ETF	Buy	4.000	\$52.605	—
04/21/2021	Executed	VBK	VANGUARD SMALL CAP GROWTH ETF	Buy	2.000	\$282.27	—
04/21/2021	Executed	VEU	VANGUARD FTSE ALL WORLD EX US ETF	Buy	1.000	\$62.255	—

Subject to change by the time we get the buys.

4. Old Business

Bill Pay Service Charge: if we don’t use, we pay fee. John Janci – will investigate this within next week.

5. New Business

Define the process of authentication between DFCU and Vanguard or other options to transfer funds immediately.

Discuss next month:

- Check issuing process and the best way to handle.
- Audit findings on 3 investments. Bob will send email to everybody on handling discrepancy on 3 investments. Next month vote:

Hello,

We have a small issue with our TPC bookkeeping that we're attempting to resolve. Several years ago (5-6???) we had multiple sells that used a tax-efficient process to select which shares were sold but were recorded in Bivio using FIFO. What this means is that the club's tax basis in these assets is incorrect (could be too high or too low). The three assets in question are VWO, VOT, and VEU. The amounts in question, respectively, are 52.44, 3.81, and 2.17. It will be too time consuming to 'properly' correct this issue, which would involve:

-go back and find specific transactions that were recorded incorrectly
-correct the entries

-file amended club tax returns for every year since then
-every club member would have to file an amended return for every year they were in the club during that span
-make adjusting accounting entries to account for full withdrawals during that span that received the wrong amount

What I'm proposing we do instead is to sell all shares of VWO and immediately buy them back. The sale will remove the discrepancy, starting with 2022. The downside to doing this is that we have a profit in VWO and everyone would incur some capital gain this year because of it. I've listed below the approximate capital gain each of us would have to report. I believe it's a small enough amount that it shouldn't adversely affect anyone's tax planning for 2021.

We could do the same for VOT and VEU, but the capital gain for multiple people is between \$1,500 and \$2,000 for just VOT.

If we don't do the sell/buy action, then we will have this discrepancy until the date when we eventually sell the mis-recorded shares.

This is being sent out now so everyone has a chance to review and evaluate, and determine what, personally, would be best for themselves. We will discuss/vote on this at the May meeting. However, our intent is that if even one person has an objection then we will possibly not perform the sell/buy action.

Vote 1. Does anyone object to the plan of selling all shares of VWO and immediately re-buying them, recognizing there will be a capital gain impact on their 2021 tax return?

Vote 2. Does anyone object to the plan of selling all shares of VEU and immediately re-buying them, recognizing there will be a capital gain impact on their 2021 tax return?

Vote 3. Does anyone object to the plan of selling all shares of VOT and immediately re-buying them, recognizing there will be a larger capital gain impact on their 2021 tax return?

If you wish your vote to remain anonymous, you may email John Janci your choice for each of the three votes and he will present a summary of these proxies at the May meeting.

best regards,
Bob Mann

John Janci asked if we can buy bitcoin. Bob said, no..

Financial Records are kept in Bivio. We need to identify a retention period for financial records.

Meeting minutes – John is willing to archive in the drop box the old copies

Meeting meetings should be kept for 8 years

Anyone who joined in 2020 needs to provide SS# and address -

Submitted Helen Sorser