



Orange Inc.

Minutes of Board of Directors Meeting

January 7, 2008

Proceedings:

- Meeting called to order at 2:00 p.m. by Chairman, Neve Works
- November meeting minutes were amended and approved
- Chairman's Report:
 - Recommends that if we realize sales goal for FYE 12/07 we reduce retail price for Mia II products by 25%. After brief discussion, Board agreed.
 - Staff member, Jackson Browne, and Sorrels attended the National Music Teachers meeting in Atlanta last month and gave a brief extemporaneous presentation regarding new MePhone score writing software. Both are invited back next year to give a longer presentation about future of music education. After brief discussion, Board congratulated Browne.
 - McElhaney asserts that our company must ensure its name is associated with whatever materials are distributed at that meeting next year. The company should generate revenues where possible from the materials, too.
 - Gosniak arrived late and mentioned that staff member, Sheila Anderson's husband is ill and in the hospital. MOTION to send a gift to Anderson's husband, expressing the organization's sympathy and support; seconded and passed, Gosniak abstaining.
- Finance Committee report provided by Committee Chair, Elizabeth McElhaney:
 - McElhaney explained that consultant, Susan Johns, again reviewed the company's bookkeeping procedures and found them to be satisfactory, in preparation for the upcoming yearly financial audit.
 - McElhaney reviewed highlights, trends, and issues from the balance sheet, income statement and cash flow statement. Issues include that high accounts receivables require Finance Committee attention to policies and procedures to ensure our company receives more payments on time. After brief discussion of the issues and suggestions about how to ensure receiving payments on time, MOTION to accept financial statements; seconded and passed, Gosniak abstaining.
- Board Development Committee report provided by Committee Chair, Douglas Carver:
 - Carver reminded the Board of the scheduled retreat coming up in three months and provided a drafted retreat schedule for Board review. Gosniak suggested incorporating team-building exercises of inflated suit sumo wrestling. MOTION to accept the original retreat agenda; seconded and passed, Gosniak abstaining.
 - Carver presented members with a draft of the reworded By-laws paragraph that would allow members to conduct actions over electronic mail. Carver suggested review and a resolution to change the By-laws accordingly. McDaniel suggested that the company first seek legal counsel to verify if the proposed change is consistent with state statute. Swanson agreed to accept this action and notify members of the outcome in the next Board meeting.
- MePhone Sales:
 - McConnagal reported that MePhone sales continued to be very strong. Anticipate signing new deal with cellular and wireless provider next month.
 - Agreement with Yabro essentially completed. Interface with MePhone in the works. Should resolve any issues favorably with work-outs.
 - New Apps are flooding the market. R & D is having a hard time vetting all of them to make sure that there are no issues with the interaction or foundation

- Other Business:
 - Porter noted that he was working with staff member, Jacob Smith, to help develop an information management systems plan, and that two weeks ago he (Porter) had mailed members three resumes from consultants to help with the plan. In the mailing, Porter asked members for their opinions to help select a consultant. Porter asked member for their opinions. (NOTE: Zevon noted that she was also a computer consultant and was concerned about conflict of interest in her Board role regarding this selection and asked to be ABSTAINED from this selection. Members agreed.) The majority of members agreed on Lease-Or-Buy Consultants. MOTION to use Lease-Or-Buy Consultants; seconded and passed.
 - Gosniak announced that she had recently hired a new trainer, Karla Writewell.
 - Gosniak suggested that the company evaluate new product; a hand-held camcorder, digital recorder. It would be capable of video and audio recording and have high-speed internet connectivity.
- Assessment of the Meeting:
 - Kyumoto noted that the past eight meetings have run over the intended two-hour time slot by half an hour. He asked members to be more mindful and focused during discussions, and suggested that the Board Development Chair taken an action to identify solutions to this issue. Chairman Works agreed to address the matter.
- Meeting adjourned at 4:30 p.m.
- Minutes submitted by Secretary, Bhata Bhattacharia.