



## **CAMTC Board of Directors Meeting**

### **MINUTES – OPEN SESSION**

**June 5, 2024**

**Double Tree by Hilton San Jose**

**2050 Gateway Place**

**San Jose, CA 95110**

**(In-person and via Zoom)**

Directors Present: *Mike Callagy, Mark Dixon, Shana Faber, Jeff Forman, Heather Forshey, Sara Frazier, Jennifer Gonzales, Michael Marylander, Bernadette Murray, Stephany Powell, Martha Soffer, Kristy Underwood*

Staff Present: *Ahmos Netanel, CEO; Jon Walters, Director of Operations; Beverly May, Director of Governmental Affairs, Human Trafficking and IT; Rick McElroy, Director of Law and Code Enforcement Relations; Joe Bob Smith, Director of Educational Standards Division; Sharla Maxey, Legal Secretary/Paralegal*

Special Counsel: *Alison Siegel*

Counsel: *Jill England*

Counsel: *Kevin Frankel*

Counsel: *Kristen Anderson*

Counsel: *May Harris*

#### **1. Call to Order**

Chair Mark Dixon called the meeting to order at 9:31 a.m. and asked Ms. England to go over agenda items 2, 3, and 4.

#### **2. Explanation of new teleconference meeting option under Bagley-Keene Open Meeting Act section 11123.2, effective January 1, 2024**

Ms. England explained that this meeting is being held under a brand-new law in California under the Bagley-Keene Open Meeting Act that now allows for some true remote participation (some Board members can be at home or other non-public remote location). There has been a teleconference law under Bagley-Keene for many years, but it did not allow for true remote access; everyone could be in different places, but they all had to be in a public place; could not be in their home or other non-public location. This new law went into effect January 1, 2024, and will sunset on January 1, 2026.

Ms. England continued with a summary of the new teleconference rules applicable to this meeting.

- A teleconference meeting can be held if at least a majority of the Board members are in-person, in one place. This will include any Board members appearing remotely due to a disability.
- All Board members participating remotely must be on camera and stay on camera during the entire meeting.
- Board members appearing remotely must disclose if there is anyone in the room 18 years or older and explain why they are there.
- If any Board member participating remotely starts having a technical difficulty, they should raise their hand immediately.
- All votes must be taken by roll call.

**3. Board approval of exception from in-person attendance for Board member(s) with disability(ies) pursuant to California Government Code section 11123.2(j)(3); general description of the circumstances relating to the Board members' need to participate remotely**

Ms. England asked Mr. Forman to make a brief statement as to why he needs to participate remotely.

Mr. Forman stated his condition affects his muscular skeletal and immune system and significantly limits his ability to engage in physical activities such as travel.

Mr. Callagy requested Mr. Forman acknowledge there is no one 18 years or older in the room with him. Mr. Forman confirmed he is alone.

**MOTION 06052024:1 Dixon/Murray - Motion to exempt Jeff Forman from in-person attendance at this meeting due to a disability, but to count him as in-person pursuant to Government Code section 11123.2(j)(3).**

**MOTION PASSES**

**ROLL CALL VOTE: Yes 12; No 0; Abstain 0**

Mike Callagy – Yes

Mark Dixon - Yes

Shana Faber – Yes

Jeff Forman – Yes

Heather Forshey - Yes

Sara Frazier – Yes

Jennifer Gonzales - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Stephany Powell - Yes

Martha Soffer – Yes

Kristy Underwood - Yes

Ms. England then asked Mr. Dixon to give a brief statement about why he needs to participate remotely.

Mr. Dixon stated he recently took a very bad fall and went to the emergency room where it was determined he fractured two vertebrae in his back and his doctor ordered him not to fly. Mr. Dixon confirmed there is no one 18 years or older in the room and he is alone.

**MOTION 06052024:2 Forman/Faber - Motion to exempt Mark Dixon from in-person attendance at this meeting due to a disability, but to count him as in-person pursuant to Government Code section 11123.2(j)(3).**

**MOTION PASSES**

**ROLL CALL VOTE: Yes 12; No 0; Abstain 0**

Mike Callagy – Yes

Mark Dixon - Yes

Shana Faber – Yes

Jeff Forman – Yes

Heather Forshey - Yes

Sara Frazier – Yes

Jennifer Gonzales - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Stephany Powell - Yes

Martha Soffer – Yes

Kristy Underwood – Yes

#### **4. Roll call to establish a quorum**

A roll call vote was taken, and quorum was established.

For the record, Ms. England listed the directors attending in-person: Mike Callagy, Heather Forshey, Jennifer Gonzales, Bernadette Murray, Sara Frazier and Kristy Underwood. Also, Jeff Forman and Mark Dixon who are counted as in-person due to their disabilities, for a total of 8 directors “in person” at one location. Directors participating remotely: Michael Marylander, Shana Faber, Stephany Powell, and Martha Soffer.

#### **5. Chair’s Comments**

- Welcome/Introductions
- Rules of Debate

Mr. Dixon stated that due his disability and because this is a complex and long agenda, he would like Mr. Forman, as Vice Chair, to run the meeting. Mr. Forman responded by suggesting that someone in-person should run the meeting. Mr. Dixon then requested Ms. Faber run the meeting. Ms. Faber responded by declining and stating she agrees with Mr. Forman that someone in-person should run the meeting. Mr. Dixon then requested Mr. Netanel

to run the meeting and Mr. Netanel agreed. Mr. Callagy asked if having Mr. Netanel run the meeting, rather than another Board member, is appropriate. Attorney Kristen Anderson confirmed that the appointment of Mr. Netanel to run the meeting is allowed.

Ms. Murray stated she would like to make a motion to take up Agenda Item #31 prior to going into closed session. Mr. Dixon called for the order of the day, which attorney Kevin Frankel explained does not require a vote and immediately locks in the agenda as presented.

Mr. Netanel asked if any members of the public would like to introduce themselves. Several members of the public then introduced themselves.

Mr. Netanel then requested that the three new attorneys introduce themselves.

Kristen Anderson is an attorney at The Law Firm for Non-Profits, P.C. who specializes in nonprofit law and tax-exempt organization law. Her firm was hired by CAMTC to advise on various issues including corporate governance matters. She has over ten years of experience in nonprofit and tax exempt organization law and her firm has been around for more than twenty-five years.

May Harris is an attorney and the founder and CEO of For Purpose Law Group, a law firm that specializes in nonprofit organizations. She has been practicing in this area for over fourteen years.

Kevin Frankel is an attorney and partner at McGuire Woods in San Francisco, California. He is a litigator and former regulator at the State Attorney General's office. As part of his practice, he advises nonprofits, including governance and litigation matters. He was retained by CAMTC to advise on governance and litigation matters.

## **6. Protecting the most vulnerable – taking a public health approach to preventing human trafficking**

Mr. Netanel referenced the numerous documents included in the Board Packet addressing this issue. Protection of the most vulnerable is a priority for CAMTC. The documents in the Board Packet discuss in detail the shift to addressing human trafficking as a public health issue, not just as a law enforcement issue.

There were no public comments on this item.

## **7. Selection of a health department to appoint a public health official to the Board**

Mr. Dixon began by moving to select the Los Angeles County Department of Public Health as the county health department entitled to appoint one Board member to the CAMTC Board of Directors pursuant to section 4602(f)(9) of the Massage Therapy Act, effective immediately. The County of Los Angeles has taken the lead in developing a completely new approach to dealing with the very difficult problem of human trafficking – looking at it as a public health issue.

Several Board members expressed concern about disrupting the term of the Board member who is currently sitting in the designated health department seat.

There were several public comments about this agenda item.

**MOTION 06052024:3 Dixon/Faber - Motion to select the Los Angeles County Department of Public Health as the County Health Department entitled to appoint one Board member to the CAMTC Board of Directors pursuant to section 4602(f)(9) of the Massage Therapy Act, effective immediately.**

**MOTION FAILS**

**ROLL CALL VOTE: Yes 6; No 6; Abstain 0**

Mike Callagy – No

Mark Dixon - Yes

Shana Faber – Yes

Jeff Forman – Yes

Heather Forshey - No

Sara Frazier – No

Jennifer Gonzales - No

Michael Marylander – Yes

Bernadette Murray – No

Stephany Powell - Yes

Martha Soffer – Yes

Kristy Underwood - No

**8. Closed session with CAMTC legal counsel pursuant to California Government Code section 11126(e)**

The Board went into closed session at 10:31 a.m. and returned to open session at 3:51 p.m.

**9. Board member(s) conduct; censure or removal**

Ms. Frazier moved to censure Mike Callagy in accordance with the Resolution that attorney Kristen Anderson will be reading.

Ms. Anderson then read the Resolutions of Reprimand and Censure against Mr. Callagy into the record (the Resolution is attached in full at the end of this minutes document).

In support of her motion, Ms. Frazier stated that based on the information available to her, this censure feels in line with protecting CAMTC and third party entities that CAMTC works with.

Mr. Callagy asked the Board to allow him more than two minutes to speak against the motion since he is the subject of the censure.

**MOTION 06052024:4 Forshey/Gonzales - Motion to extend time to allow Mike Callagy to speak for an additional four minutes regarding the proposed motion.**

**MOTION PASSES**

**ROLL CALL VOTE: Yes 11; No 0; Abstain 0**

Mike Callagy – Yes

Mark Dixon - Yes

Shana Faber – Yes

Jeff Forman – Yes

Heather Forshey - Yes

Sara Frazier – Yes

Jennifer Gonzales - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Stephany Powell – Not present

Martha Soffer – Yes

Kristy Underwood – Yes

Mr. Callagy spoke for several minutes disputing the allegations in the proposed censure resolution and defending his actions. Mr. Callagy stated that he has been a long-time Board member and has always had the best interest of CAMTC in mind. Ms. Forshey also took issue with the censure.

There were public comments regarding this motion.

**MOTION 06052024:5 Frazier/Faber - Motion to censure Mike Callagy and approve the Resolutions of Reprimand and Censure read into the record by attorney Kristen Anderson prior to this motion.**

**MOTION PASSES**

ROLL CALL VOTE: Yes 7; No 4; Abstain 1

Mike Callagy – No

Mark Dixon - Yes

Shana Faber – Yes

Jeff Forman – Yes

Heather Forshey - No

Sara Frazier – Yes

Jennifer Gonzales - No

Michael Marylander – Yes

Bernadette Murray – Abstain

Stephany Powell - Yes

Martha Soffer – Yes

Kristy Underwood – No



## **10. Audit Committee Chair**

Ms. Frazier moved to appoint Martha Soffer as Audit Committee Chair. She would like to see Ms. Soffer take over in this position as she is a successful business owner and has over thirty years of experience. Ms. Gonzales asked Ms. Soffer if this is something she has considered. Ms. Soffer responded that she would like to be the Audit Committee Chair.

**MOTION 06052024:6 Frazier/Dixon - Motion to appoint Martha Soffer as Audit Committee Chair.**

**MOTION PASSES**

**ROLL CALL VOTE: Yes 9; No 2; Abstain 1**

Mike Callagy – Yes

Mark Dixon - Yes

Shana Faber – Yes

Jeff Forman – Yes

Heather Forshey - No

Sara Frazier – Yes

Jennifer Gonzales - Yes

Michael Marylander – Yes

Bernadette Murray – No

Stephany Powell - Yes

Martha Soffer – Yes

Kristy Underwood - Abstain

## **11. Proposed amendments to Policies and Procedures for Approval of Schools**

Mr. Smith referred to the amendments which were included in the Board Packet. These amendments were discussed during the previous Board meeting and since it was tabled, he is

bringing it back. There are also a couple of new revisions, though most are just clean-up issues. Mr. Smith then went through the changes as referenced in the Board Packet.

Mr. Dixon moved to approve the proposed amendments to the Policies and Procedures for Approval of Schools as presented and Ms. Faber seconded the motion.

Mr. Murray then proposed a substitute motion to approve the amendments as presented with the exception of the amendments to section 2.B(a) and (b) on the fees and Mr. Callagy seconded this substitute motion.

Several Board members spoke for and against the substitute motion and there were public comments.

Mr. Smith reminded the Board that the budget with the increased school fees was already passed previously and so those are the fees that have been charged to schools since that time. The proposed amendments to the Procedures document are only for the purpose of making the numbers in the Procedures match the reality of the current fees.

**MOTION 06052024:7 Murray/Callagy - *Substitute* Motion to approve the proposed amendments to the Policies and Procedures for Approval of Schools as included in the Board Packet, but excluding the changes to sections 2.B(a) and (b).**

**MOTION FAILS**

**ROLL CALL VOTE: Yes 6; No 6; Abstain 0**

Mike Callagy – Yes

Mark Dixon - No

Shana Faber – No

Jeff Forman – No

Heather Forshey - Yes

Sara Frazier – Yes

Jennifer Gonzales - Yes

Michael Marylander – No

Bernadette Murray – Yes

Stephany Powell - No

Martha Soffer – No

Kristy Underwood – Yes

After the substitute motion failed, the original motion was brought back for discussion. Ms. Forshey offered a friendly amendment to the motion which would strip the dollar amount of the fees out of the Procedures document and any document similar so that inconsistencies can be avoided. Mr. Smith agreed with Ms. Forshey's suggestion so that the Procedures document would not have to be changed every time there is a fee change. Mr. Dixon and Ms. Faber approved the friendly amendment.

There were public comments on this item.

**[At this point in the meeting, before a vote on the original motion could be taken, a fire alarm sounded and everyone had to vacate the building. The vote on the original motion was never taken.]**

## 12. Adjourn

The Chair adjourned the meeting at 5:12 p.m.

Minutes Approved: October 9, 2024

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Signature of Board Secretary

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Type or Print Name of Board Secretary

**Resolutions of Reprimand and Censure**  
**CALIFORNIA MASSAGE THERAPY COUNCIL**

**WHEREAS**, the members of the board of directors (“Board”) of California Massage Therapy Council (“CAMTC”) serve as fiduciaries of CAMTC, a California nonprofit public benefit corporation exempt from Federal Income Tax as described by Section 501(c)(3) of the Internal Revenue Code.

**WHEREAS**, Section 5231(a) of the California Nonprofit Corporation Law mandates that directors of a California nonprofit public benefit corporation "shall perform the duties of a director, including duties as a member of any committee of the board upon which the director may serve, in good faith, in a manner that director believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances."

**WHEREAS**, the Board adopted the following resolution on June 23, 2016 further clarifying directors’ duty of loyalty (the “2016 Resolution”):

**WHEREAS**, CAMTC welcomes vigorous debate and a wide variety of opinions and positions during the orderly conduct of its activities in the framework of duly scheduled meetings;

**WHEREAS**, Challenges to decisions of the Board from persons or entities outside the organization are accepted as healthy and a vital part of the normal course of events in any active organization;

**WHEREAS**, however, Board members’ organized and public undermining of positions already taken by CAMTC can damage the effectiveness and reputation of the organization, place excessive burdens on the professional staff and consultants, and disrupt CAMTC operations. As a result, such organized and sustained actions are viewed as serious violations of the duty of loyalty to the organization and its commitment to protect the public;

**WHEREAS**, CAMTC in no way discourages its directors from respectful disagreement with the Board’s policy decisions during or outside of Board meetings. Nor does CAMTC desire to discourage dissent with CAMTC policies by organizations that appoint directors to the CAMTC Board.

**NOW THEREFORE**, be it resolved:

Except as provided above, that the CAMTC Board of Directors views any action by a sitting director who publicly opposes a position already taken by the CAMTC Board during the director’s term of office as a violation of the duty of loyalty to CAMTC, and such behavior may subject the director to action by the Board, including but not limited to censure.

**WHEREAS**, Mike Callagy is currently a director on the Board of CAMTC, is the Chair of the CAMTC Audit Committee and has a long relationship with the California Police Chiefs Association (“CPCA”).

**WHEREAS**, in or around March to May of 2024, Mr. Callagy made unauthorized disclosures to third parties, including CPCA of CAMTC confidential information, including detailed internal corporate financial records, internal email correspondences, and personal information about CAMTC employees.

**WHEREAS**, Mr. Callagy did not obtain the approval of the Board, nor has he been delegated the authority as an individual director to act on behalf of the Board, to disclose CAMTC confidential information.

**WHEREAS**, as a direct result of Mr. Callagy’s aforementioned actions, CAMTC has suffered harm, reputational damage, monetary damage, and increased and unexpected demands on its staff, all of which undermine CAMTC’s ability to further its mission of protecting the public.

**WHEREAS**, after due consideration, the Board has determined that Mr. Callagy has breached his fiduciary duty to CAMTC, has violated Board policies, and that his actions have adversely impacted its ability to fulfill its mission of protecting the public.

**WHEREAS**, the Board further determines that the foregoing actions illustrate a pattern of violations of Board policies and breaches of fiduciary duty, and those actions establish a pattern and practice of behavior that falls below the highest ethical standards required of a fiduciary, and that the actions have adversely affected the administration of CAMTC and consequently the interests of the individuals and causes served by CAMTC.

**WHEREAS**, Board policies authorize the Board to censure a director under the circumstances presented herein.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Board is indignant that Mr. Callagy has taken the actions described herein in violation of Board policies and in breach of his statutory fiduciary duties as a director of CAMTC and to the detriment of CAMTC.

**BE IT FURTHER RESOLVED THAT** Mr. Callagy is hereby removed as the Chair and member of the Audit Committee and shall henceforth be prohibited from serving on the Audit Committee or any committee of the Board, or from serving as an officer of CAMTC for a period of one year.

**BE IT FURTHER RESOLVED THAT** the Board hereby censures Mr. Callagy in the strongest possible terms, finding that Mr. Callagy’s misconduct constituted a violation of Board policies, a breach of his fiduciary duties and resulted in damage to CAMTC hindering its ability to fulfill its mission to protect the public.

**BE IT FURTHER RESOLVED THAT** the Board hereby directs that Mr. Callagy refrain from communicating with external stakeholders, including CPCA, in his capacity as a director of CAMTC, and refrain from disclosing CAMTC confidential information or taking any other action that may constitute a breach of his fiduciary duties.

**ADOPTED AND APPROVED** this 5<sup>th</sup> day of June 2024, by the following vote:

AYES: 7

NOES: 4

ABSTENTIONS: 1

ABSENT: 0

**CALIFORNIA MASSAGE THERAPY COUNCIL**



By: \_\_\_\_\_  
**Mark Dixon, Chair**