

Organizations privately established and funded as charitable foundations which are organized and actively operated to carry on one or more of the purposes specified in section 501(c)(3) of the Internal Revenue Code of 1954, and which otherwise meet the requirements for exemption from Federal income tax are not precluded from making distributions of their funds to individuals, provided such distributions are made on a true charitable basis in furtherance of the purposes for which they are organized. However, organizations of this character which make such distributions should maintain adequate records and case histories to show the name and address of each recipient of aid; the amount distributed to each; the purpose for which the aid was given; the manner in which the recipient was selected and the relationship, if any, between the recipient and (1) members, officers, or trustees of the organization, (2) a grantor or substantial contributor to the organization or a member of the family of either, and (3) a corporation controlled by a grantor or substantial contributor, in order that any or all distributions made to individuals can be substantiated upon request by the Internal Revenue Service.

## Merry Wagner

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**From:** Mary Harp-Jirschele [mharp-jirschele@JJKELLER.COM]  
**Sent:** Tuesday, June 24, 2008 10:40 AM  
**To:** Merry Wagner  
**Cc:** Jay Breyer; Patty Ulrich; Terri McCormick; Tim Hawley  
**Subject:** Re: Y.E.S. Expenditures from JJ Keller Grant

Merry, Terri, etc.

We assume that since Jay has been suspended, and that \$10,000 of our \$35,000 was designated for his pay, that we can expect a refund of \$6,000+ from your organization?

Mary HJ

Mary Harp-Jirschele  
Executive Director  
J. J. Keller Foundation, Inc.  
3003 W. Breezewood Lane  
P.O. Box 368  
Neenah, WI 54957-0368  
920-720-7872 (work)  
920-727-7503 (fax)

>>> "Merry Wagner" <merryw@new.nrr.com> 6/20/2008 3:11 PM >>>

Dear Mary,

Attached you will find the JJ Keller Grant Income & Expense statement taken directly from QuickBooks. The second document is a breakdown of each expenditure.

These documents are saved in Excel 2007. If you do not have Microsoft 2007 and I will save them in 97-2003 format and resend them. Please let me know if there is any thing else you need from me.

Sincerely,

Merry Wagner, Treasurer

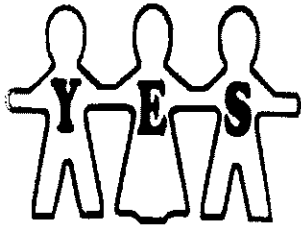
Y.E.S., Inc.

No virus found in this outgoing message.

Checked by AVG.

Version: 7.5.524 / Virus Database: 270.4.1/1510 - Release Date: 6/19/2008

3:21 PM



**YOUTH EDUCATED IN SAFETY, INC.**

P.O. BOX 773  
APPLETON, WI 54912

June 23, 2008

Mary Harp-Jerschle  
JJ Keller Foundation  
City, State, Zip

Dear Mary:

Thank you for your recent correspondence and long time support of Youth Educated in safety.

As you may know, our Board is very concerned about the financial reporting that has been done by Jay Breyer in the past as well as the validity of his representations to the Board.

In light of the fiduciary responsibilities, we cannot just ignore the information that the Board has received, regardless of good works that may have been accomplished.

It appears that a similar situation occurred about 8 years ago and that Board resigned as a group in protest to some of the allegations and the fact that Jay would not provide answers.

This Board has reason to believe that some of the errors transcend mismanagement and therefore must investigate just as their Foundation would need to do if similar events occurred.

We will be working organizationally to deal with the many questions that have been raised in efforts to make a decision as to its viability in the short and long term. We will also be holding several work sessions with the advice of Ed Krueger and law enforcement representatives so that we may build a better foundation, brick by brick.

Mary, we would be happy to meet with you and the Foundation Board and explain the concerns to the extent we are legally able.

Sincerely,

Terri McCormick  
On Behalf of the Board of Directors  
Youth Educated in Safety