

**Town of Jaffrey
Trustees of Trust Funds
10 Goodnow Street
Jaffrey, NH 03452**

Minutes to the meeting July 25, 2018

Present: Gary P. Arceci, Trustee
William Raymond, Trustee
Nancy Belletete, Trustee
Bruce Edwards, Alternate Trustee
Bryan Sanford, Charter Trust
Marcie MacKenzie, Charter Trust

Not Present: Robert Stephenson, Alternate Trustee

Location: Concord Office of Charter Trust

Mr. Sanford provided the Trustees with an overview of the financial markets and the status of the Town's various investment accounts.

The Trustees discussed a letter from Douglas Tengdin, Chief Investment Officer at Charter Trust regarding Charter's sale of the Town's shares in AbbVie, Inc. The letter explained that Charter Trust mistakenly sold the Town's position in AbbVie, Inc. and offered the Trustees two options (Option 1 & Option 2) to remedy the situation. The Trustees discussed the two options and Mr. Arceci moved, seconded by Mr. Raymond to accept Option 2. It was also decided to include the letter from Mr. Tengdin and the Trustees acceptance of Option 2 as part of July 25, 2018 meeting minutes.

Mr. Arceci moved seconded by Ms. Belletete to approve the minutes of May 29, 2018 meeting. Mr. Raymond and Ms. Belletete voted to approve. Mr. Arceci abstained stating he was doing so because he hadn't attended the meeting.

Mr. Arceci offered the idea of requesting a group email address from the Town for use by the Trustees. Mr. Arceci hoped this email account would be accessible to each Trustee vs. the current arrangement of having personal email accounts on the website. Mr. Arceci agreed to contact Town Manager Jon Frederick about it.

Future meeting dates were discussed. The next scheduled meeting of the Trustees is set for 4:00pm on Thursday August 16, 2018 at the Jaffrey Town Office.

The next regularly scheduled meeting with Charter Trust is set for 4:00pm on Thursday October 18, 2018 at its Peterborough office.

Respectfully Submitted,



Gary P. Arceci



Creating & Managing
Our Clients Wealth
Since 1984

90 North Main Street
Corporate Office
Concord, NH
03301

68 South Main Street
Hanover, NH
03755

331 Main Street
New London, NH
03257

255 DW Highway
Meredith, NH
03253

2-4 Main Street
Peterborough, NH
03458

34 Wakefield Street
Rochester, NH
03866

188 Main Street
Nashua, NH
03060

(p) 603-224-1350
(f) 866-351-8163

CharterTrust.com

July 5, 2018

William B. Raymond
Town of Jaffrey, Trustees of Trust Funds
8 Main Street, #6
Jaffrey, NH 03452

Re: AbbVie, Inc. Transaction in Account #5850910910

Dear Mr. Raymond,

I am writing to address and explain a transaction that took place in June related to our holdings in AbbVie, Inc. ("ABBV") stock. The transaction will not appear in your June account statement.

In May we received an offer to purchase the shares of ABBV held by Charter Trust Company. We misread the offer and inadvertently agreed to sell our shares at \$103 per share. On June 5th we discovered the error and repurchased the shares at \$99.08 per share.

This corrective action is intended to treat the transaction as a "rescission" (i.e., canceled or voided) for tax purposes – particularly in the income tax context, where the IRS may treat the repurchase of shares as a valid tax rescission where the parties to the transaction are returned to the status quo (i.e., the relative position you would have been in had no trade error occurred). As such, your account has been restored to the same position (same number of shares), at the same tax cost basis, as it was prior to the transaction.

However, given that we were able to repurchase the stock for \$3.92 per share less than the sale price, this corrective transaction resulted in a gain (reflecting the difference between the sale price and the repurchase price). We therefore feel it is appropriate to give you the option of how to treat the transaction.

Option one is to instruct us to leave the corrective action in place. Neither the sale nor the repurchase will be reflected in your account. This will maintain your account in its current state. This option should have no gain, loss, or tax consequence for your account.

Option two is to instruct us to reflect the transaction in your account. This would show the sale, the repurchase, and any resulting gain or loss. This option may have tax implications for the account. Should you choose option two, you would be responsible for any tax resulting from the transaction.

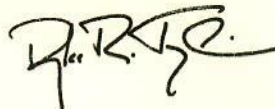
Please use the attached form and return envelope to instruct us regarding your preference for option one or option two. Please respond by July 27th. The corrective action (option one) will remain in place unless we receive different instructions from you. Under option one Charter Trust Company will retain any gain or loss. To avoid the appearance of a conflict of interest, we will pay any tax associated with a gain and contribute the remaining funds to charitable organizations as part of our existing charitable giving program. Charter Trust Company will not benefit or profit in any way from this error.

This letter makes general statements about potential tax implications of both options. However, this is not intended as tax advice. We recommend consulting with your tax advisor regarding the tax implications of both options.

We sincerely apologize for any confusion or concern this issue may cause. Please note that we are taking additional steps (including strengthening our existing policy and procedures) to ensure this does not happen again in the future.

Should you have any additional questions or concerns, please feel free to contact me directly via telephone at (603) 252-6509 or email at dtengdin@chartertrust.com.

Sincerely,

A handwritten signature in black ink, appearing to read "D. R. Tengdin", with a stylized flourish at the end.

Douglas R. Tengdin, CFA
Chief Investment Officer

C: File



Instruction Regarding the AbbVie, Inc. Transaction

Please check one option, sign the form, and return to us by July 27th. The corrective action (option one) will remain in place unless we receive different instructions from you. Please consult with your tax advisor regarding the tax implications of both options.

☐ **Option One:** Please leave the corrective action in place. I understand this will maintain the account in its current state.

OR

☒ **Option Two:** Please reflect the transaction in the account. I understand this will show the sale, the repurchase, and any resulting gain or loss in the account.



Signature

7/25/18

Date

Gary Arceci

Printed Name

Nancy Belletete
Nancy BelleteteRaymond
Lm. B. RAYMOND