

No. C 111012

Return to:
SECRETARY OF STATE
700 WEST JEFFERSON
PO BOX 83720
BOISE, ID 83720-0080

Due no later than June 30, 2005
Annual Report Form

1. Mailing Address - Correct in this box, if applicable

NATIONAL ASSOCIATION FOR THE EXCHAN
PAULA R DEJAYNES
560 MCCLURE ST
GALESBURG, IL 61401

2. Registered Agent and Office **NO PO BOX**

PRENTICE-HALL CORP SYSTEM
1401 SHORELINE DR STE 2
BOISE, ID 83702

**NO FILING FEE IF
RECEIVED BY DUE DATE**

3. New Registered Agent Signature

4. Corporations: Enter Names and Business Addresses of President, Secretary and Directors.

<u>Office held</u>	<u>Name</u>	<u>Street or P.O. Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
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See attached

5. Organized Under the Laws of:

DISTRICT OF COLUMBIA
C 111012

6. Signature *Gary C. Smith*

Name (If you are Printed) Gary C. Smith

Date 6/16/05

Title President/CEO

Issued 04/01/2005

Do Not Tape or Staple

200506002531

List names and addresses of all officers:

1. Gary C. Smith
President/Chief Executive Officer
1121 Canterbury Court
Galesburg, IL 61401
Daytime Telephone (309)343-0704
2. Robert H. Winter
Vice President/CIO
2741 Parkway Court
Galesburg, IL 61401
Daytime Telephone (309)343-0704
3. Robert Gilstrap
Vice President/Chief Financial Officer
369 E. Court Street
Farmington, IL 61531
Daytime Telephone (309)343-0704
4. Cruz A. Ramos
Vice President/Corporate Relations
80 Circle Drive
Galesburg, IL 61401
Daytime Telephone (309)343-0704

List names and addresses of all directors and trustees:

1. LaVerne K. Smith
Corporate Secretary
575 Via Veneto Drive #101
Naples, FL 34108
Daytime Telephone (941)598-3447
2. Gary C. Smith
1121 Canterbury Court
Galesburg, IL 61401
Daytime Telephone (309)343-0704
3. John J. Hattery
149 Golanvyi Trail
Vonore, TN 37885
Daytime Telephone (423)884-3450



Solicitation, Collection, Allocation & Shipping of Donated Goods

SOLICITATION

NAEIR solicits donations of new, excess inventory from corporations throughout the United States. Methods of contact include direct mail, personal visits by NAEIR personnel, and publicity in trade and professional journals.

COLLECTION

Donor corporations ship their inventory from their facilities to NAEIR's National Distribution Center in Galesburg, Illinois. Donors are responsible for shipping costs, but that expense is also eligible for a federal tax deduction. Processing of the donated materials is done by approximately 120 NAEIR employees, at the Association's Galesburg, Illinois warehouse.

ALLOCATION

NAEIR distributes donated inventory to its 7,000 school and nonprofit members through a state of the art computerized allocation system. Written and refined by NAEIR's in-house computer staff, this program ensures a fair and equal division of the merchandise. The member organizations select what they need from NAEIR's catalogs, issued every ten weeks. Over the course of a ten-week catalog cycle, the merchandise from each catalog is apportioned out on a weekly basis, so all of the highest demand items are not given away at the beginning, nor are they held until the end. As long as a participating school or charity observes the requesting deadline, they have an equal chance at the merchandise with all of the other members. One feature of the allocation lets members designate their Preferred Items, and the computer allots as many of those as it can first. Members receive an average of \$7,000 worth of products a year --more than 10 times their annual NAEIR dues.

SHIPPING

NAEIR ships/distributes donated goods to member organizations from its National Distribution Center, in Galesburg, Illinois. About 75 percent of NAEIR's members choose to have their materials shipped directly to their facility, while the other 25 percent of the members come to NAEIR's warehouse to pick up their allocations. Members who pick up do not pay any shipping charges but all members are responsible for a handling fee on each allocation. Handling fees cover NAEIR's expenses for soliciting, processing, cataloging, and storing the merchandise. Shipping to members is done through commercial freight and package services.

For more information regarding the above mentioned, please contact:

*Gary C. Smith
President/Chief Executive Officer
NAEIR
560 McClure Street
Galesburg, IL 61401
Phone: (309)343-0704
Fax: (309)343-0862*