



July 26, 2021

Dear Chairman Williams,

In the Opinion and Order he issued last week, Judge Conley addressed the legal relationship between BHS and HFI. In relevant part, Judge Conley rejected any argument that the HFI Bylaws or Trust Agreement are an “illusory contract;” stated that, at a minimum, the 2009 HFI Bylaws are “indisputably” in effect; noted that under the HFI Bylaws you as Chairman have a duty to appoint a nominating committee to send Foundation Trustee nomination to the Society Board; and warned that without such appointments the Foundation Board will “dwindle to zero.”

In light of the Judge’s Opinion and Order, the Society requests that the Foundation immediately comply with its obligations under its own bylaws. As you may be aware, the Society’s annual meeting is scheduled for August 15, 2021. The Foundation’s bylaws provide that its trustees are elected “in the same manner as Society officers,” and Society officers are elected at the annual meeting. The Foundation’s bylaws further require that the Foundation Nominating Committee must report Trustees nominations to the Society Board at least ten days before the meeting at which they are to be elected. Therefore, the Society’s Board requests that the Foundation fulfill its duties under its own bylaws and have its Nominating Committee (i.e. a committee of two Foundation trustees) submit nominations for the six Foundation board spots to be filled (3 who were to have taken office January 1, 2021, and 3 to take office January 1, 2022) no later than August 5, 2021.

In addition, the Society’s Board requests that the Foundation immediately take the following actions:

- Restore the Society’s CEO, Martin Monson, as an ex-officio member of the Foundation board;
- Restore John Donehower as the Society liaison to the Foundation board;
- Provide a financial accounting to the Society, as the Foundation is required to do every six months but has not done since before March of 2020;
- Engage with the joint audit committee to complete the annual joint audit.

I have CCed Skipp Kropp, the Society’s acting Parliamentarian. Please have the Nominating Committee report the nominations to Mr. Kropp.

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Finally, let me note that Judge Conley's decision has provided guidance on the relationship between the Society and the Foundation. He has given the Society and the Foundation an opportunity to move forward together with clarity. At the moment, there is no pending litigation between our organizations. Whether any future litigation will be necessary rests in your hands.

A handwritten signature in black ink that reads "John Donehower". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John Donehower
BHS Society Board President

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