

Brief Overview of AAMC vs. Mills College

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March 2021	<p>Alumna Trustees (ATs) consist of three AAMC membership-elected trustees and the President of the AAMC. In March 2021, the people serving in these positions were Deborah (Debi) Wood, Adrienne Foster, Tara Singh, and Viji Nakka-Cammauf.</p> <p>In March 2021, the ATs told the Board of Governors (BOG) their concerns regarding a March 3rd vote and a subsequent March 17th announcement by the College’s Board of Trustees (BOT).</p> <p>The ATs informed the BOG that they believed that they were voting for a discussion/exploration to close the College, not voting to close the College; thus, the ATs indicated that they believed the College’s March 17th closure announcement was premature.</p> <p>The ATs stated to the BOG that President Hillman overstepped her position. They described a “cabal” consisting of a subcommittee of the executive committee/resource and sustainability committee on the BOT, and this group was withholding documents from the ATs. ATs stated they asked for specific documents and were refused.</p>
April 2021	<p>The BOG approved retaining legal counsel to explore the legal rights of the ATs and the AAMC, including but not limited to rights to Reinhardt Alumnae House, access to documents regarding the actual financial position of the College, and forced confidentiality as BOT representatives. The BOG retained the firm of Greenberg Traurig.</p>
May 2021	<p>Greenberg Traurig worked from April to June to develop facts and potential claims against the College. All ATs participated in this process.</p> <p>In May, upon the advice of counsel and a presentation to the BOG as to long-term costs and goals, the BOG voted to pursue legal action against the College. All four ATs attended/participated in this meeting.</p>
June 2021	<p>Lawsuit filed on June 7th and accepted into the Alameda County docket on June 25th.</p> <p>The Plaintiffs are AAMC President Viji Nakka-Cammauf, Deborah Wood Esq, Tara Singh, and Dr. Adrienne Foster. The Defendants named are College Officers and members of the Executive and Resource & Sustainability committees.</p> <p>The Complaint states:</p> <ol style="list-style-type: none"> 1. There is a lack of transparency and a failure to comply with the Mills College Bylaws by the College, which harms the ATs in performing their fiduciary duties. 2. The ATs have been denied documents and information needed to make decisions by the College to which they have an “absolute right to inspect.” 3. The ATs cannot adequately assess the financial health of the College without key documents, which they have requested and been denied. 4. In addition to violating the Mills College Bylaws, the defendants are violating the Memorandum of Collaboration of 2017 which requires “mutual transparency” and “open exchange of information.” In exchange for these rights, the AAMC has been a generous and reliable partner to the College. 5. In addition to its sizable endowment, the College has numerous other significant assets and sources of revenue. Mills College’s own financial statements have found that Mills had

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	<p>actual and predicted positive financial positing for 2021 and 2022. Additionally Mills received significant PPPI / Higher Ed Emergency Funds providing additional cash flow.</p> <ol style="list-style-type: none"> 6. The endowment of \$206M is very likely an understated minimum valuation. 7. The vote on a Consent Agenda was inconsistent with the announcement and the College's own bylaws. 8. The announcement of the Changemaker Program bringing in \$4M was in direct conflict with the announcement of closure for finances a mere 12 days earlier. 9. President Hillman has broken her own promises of keeping "stakeholders informed." 10. Documents being requested include, but not limited to: <ul style="list-style-type: none"> • Financial data • Term sheets • Due diligence • Consultant Reports • Fiscal and other Reports • Materials pertaining to an "Institute" • Inspect "Books, records, and documents" 11. The complaint wishes to answer the question: why was there a change, of course, to prematurely announce to no longer grant degrees? 12. Beth and Katie breached their fiduciary duties to the College and to the ATs by placing the vote on a Consent Agenda and by making a premature announcement. <p>Causes of Actions:</p> <ul style="list-style-type: none"> • Declaratory Relief – Declaration that they are entitled to inspect the books. • Breach of Contract • Breach of Fiduciary Duty and Charitable Trust <p>Mills College announced the Northeastern deal on June 17th – in between when the lawsuit was filed and when it was accepted into the Alameda County docket.</p>
<p>July 2021</p>	<p>Early July: Debi and Adrienne withdrew from the lawsuit</p> <p>On July 25th, AAMC Plaintiffs filed an Ex Parte motion asking the Court to order production of documents for Viji to review before a potential vote on the Northeastern deal and to halt the vote in the interim.</p>
<p>August 2021</p>	<p>On August 16th, an Amended Complaint was filed adding the AAMC as a plaintiff and adds one cause of action to original Complaint:</p> <ul style="list-style-type: none"> • Breach of Memorandum, in addition to the original causes of action: • Declaratory Relief • Breach of Contract • Breach of Fiduciary Duty and Charitable Trust <p>Key points alleged in the Amended Complaint:</p> <ol style="list-style-type: none"> 1. AAMC has "exclusive use" of RAH per 1949 Agreement. 2. The Complaint states the plaintiffs desire more and specific information regarding the decision making and information sought in a proposed partnership with Northeastern. Although going on for months according to publications by Northeastern personnel, Plaintiffs only learned of the resolution for which they were expected to vote in June. 3. After a BOT meeting discussing NU as a potential partner, AAMC President Nakka-Cammauf requested more information from the College and was denied.

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	<ol style="list-style-type: none"> 4. Even though Hillman promised to keep Trustees apprised on developments, she did not. 5. ATs asked for specific documents and were denied. After numerous correspondence the College said Viji could review “hundreds of thousands of pages”, but only if she did so by herself, without assistance of counsel, an accounting expert or any other person. College also refused to produce documents electronically, in fashion typical for productions these days. 6. The College erroneously accused Viji of breaching confidentiality. 7. The College has, once again, breached the Memorandum of Collaboration with the AAMC by blocking AAMC access to alumnae database for the AAMC to send an email. 8. The College has, once again, breached its duty to allow an Alumnae Trustee to view information and documents relative to the College’s financial health. <p>Also on August 16th, a hearing was held in Alameda County Superior Court for the Ex Parte motion Plaintiffs filed on July 26th asking the Court to order production of documents for Viji to review before a potential vote on the Northeastern deal, and to halt the vote in the interim.</p> <p>At the hearing, the Judge said the ATs have an absolute right to inspect documents. He granted a Temporary Restraining Order (TRO) and ordered the College to produce 21 specific types of documents (class of documents) to Viji for her review. The Court said Viji could have attorneys/other experts help her to review the documents, over Defendants’ objection. The documents ordered to be turned over were the following:</p> <ol style="list-style-type: none"> 1. A copy of materials provided to each of the potential Mills partners, including but limited to UC Berkeley and Northeastern 2. A copy of all correspondence sent to each of the potential Mills partners 3. A timeline of interactions and communications with Northeastern and any other potential partners 4. A list of all institutions/entities contacted regarding potential future partnership with the College and all materials provided to any of them 5. Relatedly, a list of other potential partners who have come forward since the March 2021 announcement 6. Any assessments/reports pertaining to the recommendation to close/Teach Out 7. Weekly or monthly cashflow projections for Fiscal Years 2022, 2023, and 2024, adjusted for 7% endowment payout and \$15 million endowment loan 8. Bank statements for the last 3 years 9. Recent communications with First Republic Bank 10. Detailed projections of insurance monies due, HEERF draw down, and other assistance either already granted to available to the College 11. Comprehensive list of Mills assets and valuations, including catalog of assets and insured items of Mills College Art Museum; and catalog of assets and insured items of Center for Contemporary Music 12. Any correspondence with Christie’s in relation to estimating a financial value of Mills’ assets, such as Diego Rivera Mother and Child, 2 Matisse Paintings, Moholy-Nagy, and Ruffino Tamayo 13. Any Correspondence with Governor Gavin Newsom, Lieutenant Governor Eleni Kounalakis, Attorney General Rob Bonta, or Congresswoman Barbara Lee related to the teach out or future of the College; 14. Any correspondence with WSCUC since the March 4, 2021 Board Meeting 15. Details of marketing and advertising efforts since June 2020 for enrollment 16. Conflict of interest statements from all board members 17. Details of Mills College Portfolio (MICL) Public and Private Equity positions, marked to market

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	<p>18. Details of all transactions within Mills Portfolio Accounts since Hall Capital took over in 2010 and details of what Hall Capital has done since being granted Power of Attorney</p> <p>19. Minutes, board packets, and other notes from the Subcommittee on Negotiations</p> <p>20. Minutes and board packets of the following Mills-UCB Committees: Mills-UCB Joint Steering Committee, Adjunct Faculty Working Group, Mills Transition and Accreditation Team, and Student Transition Team;</p> <p>21. Details of business continuity or other related insurance policies that payout in the event of unexpected circumstances; detailed cost estimates for ADA Compliance Phase 3, for seismic compliance; and for sewer tunnel maintenance.</p> <p>Additionally, the accountant, Jeffrey Brandlin, hired by the AAMC asked for an additional 27 documents – some of which had been previously requested by the ATs prior to litigation and others of which were new. The Judge did NOT require these to be turned over.</p> <p>Brandlin felt a proper assessment of Mills overall financial health could not be determined without these documents: <i>copies of Loan Agreements with First Republic Bank, budget analysis with NU/MC, copies of BOT Minutes regarding finance and investments; Cost-cutting plans implemented to date; cash flow statements; Key Performance Indicators; Comps with other colleges; Sale of assets in 2021; Recent 990s; EIDL Loan program; PPPI money received in the most recent round; Insurance underwriting for assets (art); Cash-flow for previous 13 weeks; Summary of investment portfolio as of June 2021; Assets at Fair Market Value; Budget for 2021/22.</i></p> <p>The College sent over 21,000 documents. The College also scheduled a vote for a merger with NU for Friday, September 3rd (after the expiration of the TRO).</p> <p>On August 26th, AAMC Plaintiffs filed a second Ex Parte application and applied for a second TRO for the following reasons stated in their motion:</p> <ol style="list-style-type: none"> 1. The College only partially produced some of the documents requested. (Notwithstanding delivering 21,000 unlabeled documents, of those ordered the College only produced approximately ½ of the list.) The College did not produce 11 categories of information including (among others): complete term sheets of negotiations with Northeastern (although they were provided to Northeastern), current/updated financial for the College, confirmed and publicly-disclosed asset sales, current conflict of interest disclosures and meeting minutes. 2. The Trustees were being asked to vote on a merger with only an incomplete draft. <p>Around the same time the second Ex Parte application was filed, the Defendants filed a cross-complaint against the AAMC, Viji, and Tara. This is discussed further below, but its filing falls here in the timeline.</p>
<p>September 2021</p>	<p>On September 13th at a hearing on the second Ex Parte application (after several continuances that extended the restraining order), the Judge expressed concern that the Court was beginning to tread into a dispute that is properly addressed in a board room rather than a courtroom. He, therefore, did not grant the TRO or stop the vote to merge with NU. However, he did say he thought it was “very strange” that the Trustees would vote on such an incomplete agreement and allow “staff” to fill in the blanks. He even said he thought it could be a breach of their fiduciary duties. He said was surprised that there were declarations from many Trustees (including Wood and Foster) stating how they were going to vote, in advance of a meeting. He felt it was inappropriate to voice how one would vote before seeing all the information. He did order the production of additional 2021 financial records prior to the meeting but did not further stop the meeting or vote from going forward.</p>

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	<p><i>The Trustees voted on September 14th to merge with Northeastern. They did this without seeing key documents that had been sought through the Court Orders as stated above.</i></p> <p><i>While the Temporary Restraining Order was not granted, the underlying Complaint is still active. The only way for the Alumnae Trustees to have their rights to view necessary documents is to continue to trial – or for the College to actually share them.</i></p> <p>It should be noted here, in September prior to and in consideration of the upcoming Reunion, the AAMC thru their attorneys asked the College for a “stand still” (aka cease fire) at the very least until after Reunion. The College refused.</p>
January 2022	<p>The AAMC and the College have agreed to a mutual dismissal of their respective lawsuits. The litigation concludes upon review and entry of the dismissal order by the assigned judge.</p> <p>For many years, the AAMC has been dependent on the College for its infrastructure. As the merger proceeds, we are working towards a more independent infrastructure. This includes both staffing and technology. While the nature of our future working relationship with Mills College at Northeastern University remains to be seen, the AAMC Board of Governors is negotiating with Mills College to reaffirm our access to the Reinhardt Alumnae House and the database of alumnae originally created by the AAMC, which was later assumed by the College.</p> <p>Conversations about the future between the AAMC and the College begin the week of January 17, 2022.</p>