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1 JOEL H. SIEGAL (SBN: 117044)

2 **SIEGAL & RICHARDSON, LLP**

3 Oakland, California 94612

4 Telephone: [REDACTED]

Facsimile: [REDACTED]

5 **Attorney for Plaintiffs, Scott Turner; individually**
6 **and as a member of the Board of Regents of Life**
7 **Chiropractic College West; Life Chiropractic**
8 **College West a 501 (c) educational (3) corp.; Rob Bonta, Attorney**
9 **General State of California, indispensable party**

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **COUNTY OF ALAMEDA – UNLIMITED JURISDICTION**

12 SCOTT TURNER; individually and as a
13 member of the BOARD OF REGENTS OF
14 LIFE CHIROPRACTIC COLLEGE WEST;
15 LIFE CHIROPRACTIC COLLEGE WEST a
16 501 (c) educational (3) corp.; Rob Bonta,
17 Attorney General State of California,
18 indispensable party

19 Plaintiff,

20 v.

21 Dr. Amit Jimmy Nanda, individually and in
22 his capacity as Chair of the Board of Regents
23 of Life Chiropractic College West; Dr. Niraj
24 Patel, individually and in his capacity as a
25 member of the Board of Regents of Life
26 Chiropractic College West; and Does 1-10

Defendants.

Case No. Draft

COMPLAINT FOR:

(1) BREACH OF FIDUCIARY
DUTY; (Corporation Code
5223; 5142; 5233; 5710; 800

(2) DECLARATORY RELIEF

Plaintiffs SCOTT TURNER; individually and as a member of the BOARD OF
REGENTS OF LIFE CHIROPRACTIC COLLEGE WEST; Rob Bonta. Attorney General State

1 of California, indispensable party, LIFE CHIROPRACTIC COLLEGE WEST a 501 (c)
2 educational (3) corp. (collectively, "Plaintiffs"), allege as follows:

3 INTRODUCTION

4 1. This is an action to recover damages for breach of fiduciary duty and declaratory relief
5 in connection with the systematic corporate mismanagement, fiduciary misuse of funds,
6 failure to abide by appropriate governance policies and procedures, as well as breach of
7 fiduciary duties owed to the corporation of Life Chiropractic College West
8 ("Company") by the Defendants. Defendants have failed to manage the Company in a
9 way that will maximize value for shareholders, students, and other stakeholders by
10 repeatedly taking actions designed to entrench themselves in the company, intentionally
11 misleading company shareholders, officers, and regulators, and violating federal and
12 state securities and corporate governance laws and the company's governing corporate
13 documents. In doing so, the defendants breached various fiduciary duties owed to
14 company stockholders, thereby damaging Plaintiffs.

15 PARTIES

16 2. Plaintiffs SCOTT TURNER; individually and as a member of the BOARD OF
17 REGENTS OF LIFE CHIROPRACTIC COLLEGE WEST; LIFE CHIROPRACTIC
18 COLLEGE WEST a 501 (c) educational (3) corp. (collectively, "Plaintiffs") educational
19 institution based in Hayward, California. Mr. Turner has been a board member since
20 2013 and is prepared to describe abuse by defendants. These abuses all occurred during
21 a time that Plaintiff Turner was a member of the Board of Regents. Scott Turner is a
22 licensed CPA. As such, his knowledge of taxes, accounting, and business practices is
23 vital for the college and the Board of Regents. Ironically, Scott Turner is only one of
24 the potential two non-chiropractors on the Board of Regents of Life Chiropractic
25 College West for the past 7 years. Plaintiff Turner has also taken courses in corporate
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1 governance and is dedicated to maintaining proper fiscal responsibility for the college
2 and proper board governance.

- 3 3. Life Chiropractic College West is a corporation organized under the laws of the State of
4 California, with a principal place of business at 25001 Industrial Way, Hayward,
5 California 94545. It is a 501c3 charitable educational institution. As such, the Regents
6 must observe special fiduciary duties to comply with State and Federal regulations.
- 7 4. Plaintiff Rob Bonta, Attorney General for the State of California, is an indispensable
8 party to this litigation.
- 9 5. Plaintiffs allege, on information and belief, that Defendant Nanda, who is a graduate of
10 Life Chiropractic College West, and currently serves as the Chair of the college Board
11 of Regents.
- 12 6. Plaintiffs allege, on information and belief, that Defendant Patel, is a graduate of New
13 York Chiropractic College and is currently a Regent on the Life Chiropractic College
14 West Board. The Bylaws indicate that the Regents should have a minimum of 5
15 members and a maximum of 20. Yet, the Articles of Incorporation state the minimum
16 number of Regents should be no less than 7 and no more than 20 members.
- 17 7. Plaintiffs are unaware of the true identity, nature, and capacity of each of the defendants
18 herein designated as DOES 1 through 10, inclusive. Plaintiffs allege, on information and
19 belief, that each defendant designated herein as a DOE is in some manner responsible
20 for the actions, damages, and injuries alleged in this complaint. Upon learning the true
21 identity, nature, and capacity of the DOE defendants, the Plaintiffs will amend this
22 complaint to allege their true names and capacities.
- 23 8. Plaintiffs allege, on information on and belief, that all material times herein, Defendants
24 and DOES 1 through 10, each of them, were the agents of the other defendants, and the
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1 acts of each defendant were within the course and scope of their agency and/or
2 employment.

3 9. Subject matter and venue are proper in this Court.

4 10. Plaintiffs allege that all actions alleged herein were conscious and deliberately taken by
5 Regents in violation of California law and best governance practice. On information
6 and belief, the Defendants have attempted to gain undue control and advantage over
7 college money and have attempted to use their positions to gain notoriety and favors
8 within their community, without any regard for the college. Defendants herein have
9 utilized college funds for personal travel, non-approved college activities, personal
10 items such as Uber charges, association dues, and gifts to defendants' friends and other
11 business associates, all for personal gain without the college's knowledge, approval, or
12 benefit. Further, the defendant's deliberate misuse of proper governance has effectively
13 inhibited the good management of the college, and has exposed the college to
14 significant potential consequences such as loss of WASC accreditation; audits, and CCE
15 accreditation, as well as other negative consequences.

16 **FACTUAL BACKGROUND**

17 **Company Overview**

18 11. Life Chiropractic College West is based in Hayward, California. Plaintiff is a 501c3
19 Educational Institution registered in the State of California. The college currently
20 enrolls approximately 600 students and has a staff of over 150 persons. The college's
21 main goal is to educate the next generation of Doctors of Chiropractic. The college
22 grants a Doctor of Chiropractic degree, allowing its graduates to sit for the chiropractic
23 examination boards, allowing them to practice throughout the United States. The
24 college operates out of a building in Hayward, California. In 2022, the college sold its
25 building and now has a large building fund. Whistleblowers in the college, including
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1 Plaintiff Turner and other officers of the college, have become concerned that unusual
2 and unsubstantiated spending by the defendants has become a pattern of misuse of
3 money and a breach of fiduciary duties, more evident since the sale of the building.

4 **Corporate Mismanagement and Decline**

5 12. Notwithstanding the Company's position in the growing education market, through
6 systemic and routine, incompetence and corporate malfeasance, Defendants have driven
7 the breached fiduciary duties and put the college at risk, confirmed by Exhibit 1, a
8 report from Adler Colvin, a prominent Bay Area law firm specializing in California
9 Nonprofit laws and corporate governance. Further examples of mismanagement and
10 misfeasance by defendants is cited in the report issued by Teri Cannon, attached and
11 incorporated herein as Exhibit 2. Attached hereto as Exhibit 3 is a true and correct copy
12 of notes put together for Plaintiff by Kate Lee, a partner at the Cooley Law Firm.

13 **Efforts to Correct Short of Litigation**

14 13. For the past few years, and more recently since December 2023, Plaintiffs and corporate
15 officers have brought to the defendants' attention their failure to manage finances, use
16 best practices in governance, and consistently self-dealing to their own benefit.
17 Attached and incorporated herein, as exhibit 4, is a true, correct copy of an initial letter
18 sent to the defendants by college attorney Joel Siegal addressing the issues of
19 mismanagement of college funds, governance, and overall destructive leadership
20 practices around their fiduciary duties. Following Exhibit 4, college attorney Natasha
21 Baker coordinated a Zoom call with the defendants, other board members, the college
22 presidents, and Attorney Siegel and governance expert Kathy Trower to implore the
23 defendants and the board to operate only under the best practices in governance.
24 Following that Zoom meeting, Attorney Siegal wrote to the defendants, which is
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1 attached and incorporated herein as Exhibit 5. Since the Attorney Baker meeting and
2 the follow-up letter from Attorney Siegal, there has been no change in the defendant's
3 behavior. Infact, both defendants' behavior has become more egregious, abusive, and
4 unprofessional. For example:

- 5 - the board has called an excessive amount of "emergency meetings" to target
6 Plaintiff Turner and try to remove his board position because he, as an
7 accountant, is closely monitoring the fiscal health of the college and sharing
8 California non-profit codes to abide by and practicing sound governance.
- 9 - Defendant Nanda utilized a college credit card for a personal trip to Africa for
10 personal reasons, which was caught by the college business office and reported
11 to Plaintiff Nanda for repayment. After unanswered emails and efforts to recoup
12 the college funds, ultimately and with much effort, Dr Nanda repaid the monies
13 approximately 11 months later.
- 14 - Defendant Nanda's college credit card expenses indicate that he used college
15 funds for personal entertainment, travel, uber rides, and contributions to
16 personal agencies on behalf of the college without board or college approval.
- 17 - Defendant Nanda authorized and paid 1500.00 to a Canadian Event Company on
18 behalf of Life Chiropractic College West without college knowledge, approval,
19 or board approval.
- 20 - Defendant Nanda refused to complete his yearly conflict of interest declaration
21 form, as well as allowing then Regent Ochoa-Reas to not comply with filling out
22 his conflict of interest declaration by allowing Dr. Ochoa-Reas to use the term
23 "same as last year" without stating specifically what the conflict of interest was.
24 The previous year's COI form also had no specific conflict description.

- Defendant Nanda on more than one occasion, authorized members of the Board to fly Business Class on overseas flights without board approval
- Defendant Nanda approved Defendant Patel and Ochoa-Reas to fly to India in Business Class without any college approval or knowledge, as well as questionable motives.
- Defendant Nanda approved board members' travel, lodging, and meals for non-board-related matters.
- Defendant Nanda authorized the overspending of the Board Budget, which exceeded 100,000 dollars 6 months into the current fiscal year. His spending habits continued, especially when told to decrease the board spending.
- Defendant Nanda authorized board meetings in Spain and Las Vegas, costing the college excessive amounts of money, and also approved payment for spouses and girlfriends/boyfriends.
- Defendant Nanda attempted to increase the board budget from approximately 100,000 to 250,000 - 500,000, as told to the CFO and President in a Zoom meeting.
- Defendant Nanda, in December 2020, claims that Attorney Natasha Baker suggested and authorized him to subtract all the years served by the then-current Board Members and restart their full term limits again in January 2021 for a complete 3-term, 3-year-per-term term limit, which not only stopped him from terming out due to years of service but also other Board Members.
- Defendant Nanda has consistently defamed Plaintiff Turner by personally questioning his "mental health" and turning other board members against Plaintiff Turner.

- Defendant Nanda authorized hiring a consultant, who took a leave of absence from being a Life Chiropractic College Board Member, to work for the Board at the rate of 150,000.00 per year, plus full expenses for said contractor and his wife. There was no competitive bidding, nor were RFPs sent out for bids on this position. On information and belief, the consultant is a personal friend of Dr. Nanda and has recently been reinstated on the Board of Regents by Dr. Nanda.
- Dr. Nanda, who Chairs the Academic Affairs Committee, has not held a meeting for the past five or so years, which is in direct conflict with the expectations of the college's accreditors.
- Dr. Nanda authorized payment to Board Members for attendance to meetings they did not attend.
- Defendant Nanda authorized a change in the College Bylaws to compensate Board Members 1000.00 per in-person meeting and 100.00 for online meetings, in addition to travel expenses and room and board. The change to the Bylaws was not made with proper notice as per the Articles of Incorporation nor followed proper governance procedures.
- Defendant Nanda authorized full payment to all board members for conducting a job interview and convening on the results. There was no advance notice of such a meeting, nor was an agenda set, and thus, no board meeting took place.
- Defendant Nanda has called multiple Board Meetings and failed to advise and invite the college president, an ex-officio board member, and part of every committee. These efforts to not ask or inform the president of board and committee meetings go beyond the board's ability to have executive sessions where the president is the topic. Rather, Dr. Nanda has used the exclusion of the

ex-officio president as an effort to minimize and separate said president from Dr. Nandas' agendas.

- Defendant Nanda failed to have the board perform a yearly Presidential Review as per the Board of Regents Manual for the past 7 years and, to that point, has never started or completed a Presidential Review as prescribed by the Manual and proper governance.
- Defendant Nanda presented to WASC some form of Presidential Reviews, which were never conducted yearly. Thus, the college was at risk of losing accreditation through untruthful or possibly falsifying records regarding the Presidential Reviews.
- Defendant Nanda failed to follow the Board Policy and Procedures Manual in selecting, voting for, and onboarding new members to the BOR as written in BR-3.02 in the Policy and Procedures Manual.
- Defendant Nanda willingly and knowingly misrepresented the President in a letter to Jineal Joshi at KSV on board member Niraj Patel going to India in January 2024
- On information and belief, the above allegations are but some of many egregious claims perpetuated by Dr. Nanda.
- Defendant Patel used college funds to fly Business Class to India without college authorization or complete board approval.
- Defendant Patel has consistently defamed Plaintiff Turner by challenging his mental health and turning other board members against Plaintiff Turner.
- Defendant Patel authorized the hiring of a consultant, who took a leave of absence from being a Life Chiropractic College Board Member, to work for the Board at the rate of 150,000.00 per year, plus full expenses for said contractor

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1 and his wife. There was no competitive bidding, or RFPs sent out for bids on
2 this position. On information and belief, the consultant is a personal friend of
3 Dr. Patel and has recently been reinstated on the Board of Regents.

- 4 - Defendant Patel authorized payment to Board Members for attendance to
5 meetings they did not attend.
- 6 - As Chair of Governance, Defendant Patel authorized a change in the College
7 Bylaws to compensate Board Members 1000.00 per in-person meeting and
8 100.00 for online meetings, in addition to travel expenses and room and board.
9 The change to the Bylaws was not made with proper notice as per the Articles of
10 Incorporation nor followed proper governance procedures.
- 11 - Defendant Patel authorized full payment to all board members for conducting a
12 job interview and convening on the results. There was no advance notice of such
13 a meeting, nor was an agenda set, and thus, no board meeting took place.
- 14 - Defendant Patel has called multiple Governance Committee Meetings and failed
15 to advise and invite the college president, an ex-officio board member, and a
16 member of every committee. These efforts to not invite or inform the president
17 of governance committee meetings go beyond the board's ability to meet where
18 the president is on the topic of discussion. Rather, Dr. Patel has used the
19 exclusion of the ex-officio president as an effort to minimize and separate said
20 president from Dr. Patel's agendas.
- 21 - Defendant Patel violated proper governance and fiduciary duties on at least two
22 occasions by directly subverting the president and his authority. This created an
23 impression that the college was not operating soundly and jeopardized the strong
24 relationship the president had built with the other parties.
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- Defendant Patel, a non-accountant, directed a motion to remove finance committee responsibilities and subvert them to the Governance Committee he chairs.
- Defendant Patel authorized payment for 6 hotel nights in Las Vegas prior to a 7-hour one-day meeting for Regent Sordillo on February 23rd, 2024.
- Defendants Nanda and Patel conspired in direct contravention of the college's bylaws to remove Mr. Scott Turner, a known whistleblower and the only CPA on the Board of Regents. As will be established at trial, said efforts to remove Scott Turner were both procedurally and substantively defective in terms of the plaintiff's internal management and corporate codes of the state of California.

FIRST CAUSE OF ACTION

(Breach of Fiduciary Duty)

14. Plaintiffs incorporate by reference the allegations of paragraphs 1 through 13, as though fully set forth herein.
15. As directors and/or officers of the Company, each of the Defendants owes fiduciary duties of care, loyalty, and good faith to the Company's stockholders, including the Plaintiffs. Defendants' fiduciary duties include obligations to exercise good business judgment, to act prudently in the operation of the Company's business, to discharge their actions in good faith, to act in the best interests of the Company and its stockholders, and to put the interests of the Company before their own.
16. Defendants breached their fiduciary duty of care by, among other things, routinely mismanaging the Company, and failing to comply with the terms of the Company's governing corporate documents and applicable corporate law.

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17. Defendants breached their duties of loyalty and good faith by, among other things, intentionally violating federal securities laws in an attempt to approve the plan and issue themselves additional equity in the Company and seeking to disenfranchise Company stockholders and entrench themselves as Company management and members of the Company's Board at the expense of the Company's stockholders.

18. Plaintiffs and other Company stockholders have been damaged by the Defendant's breach of their fiduciary duties.

SECOND CAUSE OF ACTION

(Declaratory Relief)

19. Plaintiffs incorporate by reference the allegations of paragraphs 1 through 18, as though fully set forth herein.

20. An actual controversy has arisen and now exists between the parties concerning the following matters:

- a. Defendants' lack of compliance with the Colleges governing corporate documents and applicable corporate law;
- b. Unauthorized expenditures by the Defendants in an amount to be proven in trial.
- c. An order from the court that these defendants have so violated the law and put the college at risk, that their service as Regents be terminated and all money owed to the college be paid.
- d. Other issues are to be shown according to proof.

21. Judicial declarations are necessary and appropriate at this time to enable the parties to ascertain their rights and duties to each other.

WHEREFORE, Plaintiffs pray for the following relief;

- 1. An award of compensatory damages in an amount to be shown according to proof;

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- 2. Declaratory relief as requested herein;
- 3. Attorneys fees and costs to the extent allowed by law
- 4. Such further and other relief as this Court deems just and proper.

DATED:

SIEGAL & RICHARDSON, LLP

By: Draft

Exhibit One

June 20, 2024

VIA E-MAIL

Joel H. Siegal, Esq.
Attorney at Law
Siegal & Richardson, LLP
████████████████████
Oakland, California 94612
████████████████████

Re: Board Governance Concerns

Dear Mr. Siegal:

I am a principal of Adler & Colvin, a law firm that specializes in the law of nonprofit and tax-exempt organizations. We regularly advise directors of nonprofit corporations on their individual fiduciary duties with respect to corporate governance and the proper functioning of the board of directors.

I have been consulted on behalf of Life Chiropractic College West (the "College") regarding certain actions that the Board of Regents (the "Board") and individual Regents, referred to herein as directors, have taken in connection with their management of the College. I have spoken to two potential whistleblowers, both of whom are considering legal action, and I have reviewed a letter to the Board summarizing a discussion that the directors had with another attorney, Natasha Baker, that summarizes concerns she identified with respect to the Board's management of the College.

The Board activities described in the earlier letter could expose the individual directors to personal liability, including the possibility of excise taxes imposed by the Internal Revenue Service (the "IRS") on certain benefits that the directors have received. In addition, the College could be at risk of an Attorney General or IRS audit, and the College's tax-exempt status as a charity could be at risk, as well as its accreditation from the WASC Senior College & University Commission ("WSCUC").

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Without prompt action from the Board, both the College, and the directors personally, are at risk.

I have described the concerns in turn below.

The potential whistleblowers identified numerous issues regarding the Board's oversight and financial management of the College, including the following:

- directors' use of a College credit card for personal expenses and unauthorized travel;
- travel by directors to Board meetings held outside of California, in particular in Spain and Las Vegas, paid for by the College, including the expenses of spouses and significant others;
- director compensation in violation of the College's bylaws;
- general mismanagement of the Board's annual budget;
- excessive payments to directors and a failure by directors to properly itemize expenses for reimbursement;
- the engagement of a former director as a consultant without properly addressing potential conflicts of interest or vetting the compensation to be paid;
- directors exceeding Board term limits in violation of the College's bylaws; and
- a failure by directors to annually disclose conflicts of interest as required by the College's conflict of interest policy.

The Board has a fiduciary responsibility to address these concerns that have been brought to its attention. **Not taking action in light of these allegations itself could be deemed a breach of fiduciary duty.**

Risk of California Attorney General Audit

The office of the California Attorney General (the "OAG") oversees charities in California to protect charitable assets for their intended use and to ensure that charitable funds are not misapplied and squandered through fraud or other means. The OAG can pursue charity directors *personally* for perceived breaches of fiduciary duty, as described in more detail below. **The directors may be held personally accountable for the misappropriation, waste, or misuse of charitable assets if the loss was the result of deficient internal controls, lack of due care, or reasonable inquiry.**

In deciding whether to pursue an investigation, the OAG takes into account complaints and leads from sources such as a charity's directors, officers, or employees. During

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the audit process, the OAG's auditors may interview directors, officers, and other interested parties, such as complainants, volunteers, current and past employees, and accountants. The OAG may subpoena records from third parties and can recover attorney fees, audit expenses, and expert costs in successful enforcement actions. An OAG audit therefore is an expensive and time-consuming process that the College, and the Board governing the institution, should avoid.

In addition, a director can be held personally liable for authorizing or receiving a prohibited distribution of charity assets. Examples of prohibited distributions include payment of excessive or non-contractual benefits, including travel and entertainment expenses, and other uses of corporate assets that violate the charitable trust under which the charitable assets are held. The OAG may view the Board meetings in Las Vegas and in Spain, including first class travel and accommodations for members and their families, as an inappropriate use of charitable assets.

In addition to bringing a formal enforcement action seeking the recovery of charitable funds, the OAG also may seek injunctive relief such as removing directors from the board and prohibiting future service on the board of directors of a California nonprofit corporation. Any College officer or director also independently can pursue an action in court alleging financial mismanagement or a breach of a charitable trust.

Finally, you should be aware that the College insurance policy contains certain exclusions (e.g., for claims brought "by, on behalf of, or in the name or right of" any of the College's directors or officers, or for willful misconduct), such that **the directors may not be covered with respect to these allegations and as a result may have to pay their own legal expenses.**

Risk of IRS Audit, Excess Benefit Transactions, and Possible Loss of Tax-Exempt Status

In addition to California state law governing nonprofit organizations, the College is subject to federal tax law governing tax-exempt public charities. The IRS may audit a tax-exempt organization if concerns have been raised, including by individuals who file complaints directly with the IRS, regarding the proper use of charitable assets or management by the governing body. As directors of a tax-exempt organization, they have a fiduciary responsibility to protect and properly use the College's assets.

As part of its oversight of tax-exempt charities, the IRS may impose taxes on an arrangement it deems to be an "excess benefit transaction" between a charity and a charity insider, including directors or their family members. As an insider, you can be liable for a tax of 25 percent on any deemed excess benefit. If the excess benefit transaction is not corrected (e.g., any excess payment returned to the charity), a second-tier tax of 200 percent on the excess

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benefit is imposed. **Officers and directors who approve the transaction also may have personal tax liability.**

Furthermore, if a charity failed to substantiate that a benefit is being provided to the insider as compensation, the IRS may treat the payment as an “automatic” excess benefit transaction, in which the amount is taxable as an excess benefit without regard to whether the benefit was reasonable. Therefore, a charity must clearly indicate its intent to treat a benefit as compensation at the time the benefit was paid in order to avoid an excess benefit transaction. This issue often arises when an organization provides certain fringe benefits but does not report the benefits as compensation. Paying for spousal travel, for instance, can be deemed an excess benefit payment.

Expense reimbursements that are not made in compliance with an “accountable plan” also may be deemed an automatic excess benefit transaction. An accountable plan requires that reimbursed expenses have a business connection and be properly documented, as well as any excess amounts be returned within a reasonable amount of time. The College’s counsel concluded that director reimbursement has not been subject to an accountable plan and that directors did not properly itemize expenses for reimbursement. Therefore, these payments are at risk of being deemed by the IRS to be excess benefits, and the IRS can impose a tax on the directors who received the benefits and require repayment to the College.

Also, with respect to conflicts of interest, the Form 990 filed each year with the IRS, which is also a publicly available document, asks if officers, directors, and key employees are required to disclose annually interests that could give rise to conflicts and if the organization consistently monitors and enforces compliance with the organization’s conflict of interest policy. **If directors are not properly disclosing potential conflicts of interest, this lack of disclosure could increase the likelihood of an IRS audit of the College.** In addition, any conflicts that exist but have not been disclosed could involve self-dealing transactions that are significant but have not been detected and therefore have not been addressed by the Board or properly disclosed on the Form 990. The whistleblowers with whom I have spoken believe that conflicts of interest are going unreported, and decisions of the Board (such as a hiring a former director as a consultant on a project without reviewing other bids) may reflect a disregard for potential conflicts.

If the IRS audits the College and determines that there is a pattern of excess benefit transactions involving directors or other insiders to the charity, or conflicts of interest that have not been properly addressed, **the IRS can revoke the College’s tax-exempt status.**

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Board Governance under the WSCUC Standards of Accreditation

Katherine Lee Carey of Cooley, the College's regulatory counsel, also has reviewed the allegations described above and has provided the following analysis regarding the College's compliance with the WSCUC standards of accreditation:

Maintaining a strong and independent governance structure is a key element of the WSCUC Standards and is also separately highlighted in two policy documents: the *Governing Board Policy* and the *Governing Board Policy Implementation Guide*. WSCUC also requires that institutional boards comply with applicable state and federal laws and regulations that govern non-profit corporations. The Board should recall that in March 2023, WSCUC identified a lack of diverse backgrounds and governance capacity as bases for a shortened reaffirmation period; however, in the year following, the Board has not recruited any new (or diverse) members to the Board. This lack of responsiveness to WSCUC's concerns may result in sanctions against the College.

Shared Governance

WSCUC requires that the Board allow the institution to operate with appropriate autonomy, while taking responsibility for "mission, integrity, and oversight of planning, policies, performance, and sustainability." **The Board must delegate day-to-day management of the institution to the chief executive officer, and must maintain and honor clear policies on shared governance with the institution's leadership.**

The whistleblowers allege that the Board has convened Board meetings without notifying the CEO or involving the institution in preparation, and not inviting the CEO to governance and other important committee meetings, is a direct violation of WSCUC policy. The Board is expected to share governance with the leadership of the institution, and the Board should not convene any meeting without notifying the CEO.

Board Size and Diversity

In addition, the Board is expected to have a range of backgrounds, knowledge and skills, and be large enough to allow for sufficient members to manage the various committees that WSCUC expects institutional governing boards to have. The Board currently has only five members, all of whom are men, and the majority are chiropractors. The Board lacks expertise in academic matters and reportedly ignores, in large part, the advice provided by the only qualified financial expert on the Board. WSCUC's policy states clearly that a board with only five members is too small to meet the requirements of WSCUC:

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A very small board, such as one with only five members, will, by definition, not have enough qualified persons with expertise in finances, planning, audit, and academic matters, to populate all the committees[...]

Conflicts of Interest

WSCUC also requires that the Board be independent and that its decisions reflect the best interests of the institution and its students, while also ensuring a consistent adherence to each director's fiduciary responsibility to the institution. As such, independent directors must be free of any financial interest in the institution, including any form of compensation (whether as an employee or contractor) and directors must disclose any conflict of interest to the membership and abstain from discussion and voting on any matter which might create such a conflict. WSCUC policy states:

Board members have an ethical responsibility and duty to disclose their interests and, where the Board member has an actual or apparent conflict with an action of the Board, to refrain from participating in discussions about or voting on any matters that relate to the conflict.

It is alleged that members of the Board have refused to disclose conflicts of interest when requested (via an annual certification) which is a violation of the director's ethical duties, as well as violating WSCUC policy.

Additionally, the appointment of a former Board member, and friend, as a consultant on a project for which he has no expertise, and apparently without any form of bidding process, brings the commitment to ethical practices further into question. To then ask that same director to return to the Board, while still being paid as a consultant, is highly questionable, and in no event can that director be considered independent.

Board Compensation

Directors are not expected to be compensated, but reasonable, modest stipends are permitted by WSCUC. The purpose of this policy is to ensure that Board members are not receiving benefits that would create a conflict of interest, or provide incentive to serve on the Board for reasons other than the best interests of the institution. Again, WSCUC's policy is clear:

As set forth in the Governing Board Policy, the Commission believes that compensation for board participation can reach amounts that create a conflict of

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interest and deprive the receiving board member of the status of being disinterested for purposes of governing board independence.

While it is permissible to provide minimal compensation and travel reimbursement under WSCUC's Standards, it must be reasonable and fiscally responsible. Using the institution's funds to pay for Board meetings in Las Vegas and Spain, including first class travel and accommodations for members and their families cannot be considered reasonable. The Board must institute a strong travel and expenses policy that is reasonable and prevents unnecessary over-spending of college resources on Board expenses. If WSCUC were to determine that the benefits noted above are excessive, the Commission could deem the Board to be insufficiently independent, which is a direct violation of WSCUC's governance requirements.

Ms. Lee Carey concludes that the recent actions of the Board are highly concerning and potentially violative of the WSCUC Standards and Governance Policies.

She also warns that governance violations are taken very seriously by the Commission, and could result in serious sanctions against the College, such as adverse actions against its accreditation, including Warning or Show Cause status. **Adverse actions against accreditation must be reported to the U.S. Department of Education ("ED") and can result in the institution being forced to submit a teach-out plan and post a letter of credit, and ED may mandate the institution be moved to provisional certification status which limits program and institutional growth.** ED may also put the College on heightened cash monitoring, which is cumbersome and frequently causes delays in student aid disbursements for extensive periods, negatively impacting tuition revenue.

College Policy Requirements

I have also reviewed the College's policies and procedures manual. The Board of Regents Code of Conduct and Ethics provides that all members serving on the Board of Regents "are responsible for sustaining the highest ethical standards of the institution and of the broader community in which the Board Members function." **Pursuant to this Code, violation of certain rules may lead a director to be removed for cause, including any use by a director of the College's resources for personal gain or profit or for personal use,** except in a manner that is incidental and reasonable in light of the director's duties; and failure or refusal to cooperate in or interference with an investigation by the College.

In addition, the College's Policy For Investigations Regarding Code of Conduct Violations requires that where directors may have failed to comply with the Code of Conduct, or failed to fulfill their fiduciary duties, a member of the staff, a faculty member, or a director

Joel H. Siegal, Esq.
Life Chiropractic College West
June 20, 2024
Page 8

may notify the Chairman of the Board about the possible violation of the Code of Conduct or other policy. **According to this Policy, the Chairman "is then obligated to take action regarding the possible violation."** We therefore strongly advise that the Board address the allegations that have been raised in order to comply with this Policy.

Conclusion

Each director of the College individually has a legal obligation to act in good faith, in what he believes to be in the College's best interest, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. **Each director a fiduciary responsibility to address the concerns that have been brought to the Board's attention.**

Based on my conversations with the two whistleblowers, it seems likely that a complaint will be filed with the California Attorney General, the IRS, or the WSCUC, if the Board does not take prompt, decisive action. **A complaint of this type would be detrimental to the College and also may reflect poorly on all Board members who do not act to address these allegations.** In addition, the potential media attention to certain questionable transactions and how they were or were not addressed by the Board is a risk that can result in personal embarrassment and reputational damage for individual Regents, as well as a significant decline in goodwill and donor support of the College and an increased likelihood of a regulatory audit.

The directors have a fiduciary obligation to the College; each director should take action both to protect the charitable mission and tax-exempt status of the College as well as to meet his fiduciary duties as a director and protect himself from any risk of liability. The directors must hold themselves and their fellow Board members to the required standard of care. As I stated at the beginning of this letter, if Board members choose not to act, they too could be in violation of their fiduciary responsibilities. Therefore, I urge the directors to please act promptly to address these concerns.

Very truly yours,


David A. Levitt

DAL:mmg

Exhibit Two

MEMORANDUM

TO: Joel Siegal, Counsel for Life Chiropractic College West (Life West)

FROM: Teri Cannon, Higher Education Consultant

RE: Board Actions under WASC Standards and Policy

DATE: June 26, 2024

Background

I have been asked to review documents and written communications related to the Board of Regents of Life West to evaluate whether the Board as currently composed and operating meets the requirements set forth in the Western Association of Schools and College (WASC) Standards of Accreditation (Standards).

WASC Standards and Policies

The WASC Standards require that institutions are governed by “an independent board ... that is responsible for mission, integrity, and oversight of planning, policies, performance, and sustainability. The governing board selects and evaluates the chief executive officer.” Further, “[t]he board members have a range of backgrounds, knowledge, and skills to carry out their responsibilities.” (Standard 3, Criteria for Review 3.7 and 3.8) Boards are also required to “engage in self-evaluation and development.” (Standard 4, CFR 4.7)

Importantly, the Standards require institutions to “function with integrity and transparency.” (Standard 1) Specifically, institutions must “operate with integrity and transparency in its operations” (CFR 1.3), maintain “appropriate operating policies and business procedures” (CFR 1.4), and have “honest and open communication with the Commission.” (CFR 1.8)

These Standards and Criteria are supplemented with a number of policies and guides, including the Governing Board Policy and its Implementation Guide. This policy and guide call for the following:

- Board decisions must be made in the best interests of the institution and in accordance with fiduciary responsibilities (including asset protection).
- A majority of members of the governing board must be independent members without other interests that may create conflicts, including financial, personal, familial, business/contractual interests, and not receive compensation from the institution. The policy requiring a majority of independent members also extends to committee membership and quorum requirements. Reimbursement to board

members for direct reasonable expenses is permitted and is not considered compensation.

- Boards are charged with the following responsibilities, among others:
 - fulfilling their “fiduciary, legal and oversight responsibilities”
 - adhering to “best practice” conflict of interest policies and processes
 - having a diverse membership with a range of backgrounds
 - selecting the CEO and delegating day-to-day management to the CEO
 - honoring shared governance (defined below)
 - complying with state and federal law and regulations
 - acting as a collective body not as individuals.

The “best practice” regarding conflicts of interest referred to the Guide consists of having a strong conflict of interest policy that protects against conflicts, potential conflicts, and appearance of conflicts, and annual forms acknowledging the conflict policy and disclosing any potential or real conflicts. When conflicts arise, the conflicted member must not discuss the matter in question with the other board members, is usually excused from the meeting, and may not vote on the matter.

“Shared governance” refers to the higher education model in which the high-level oversight of the institution sits with the board while the faculty has more specific and detailed oversight of the academic programs and the CEO and the cadre of administrators and staff handle the management and operation of the institution. See more in footnote below.¹

Finally, the WASC Commission issued a letter in March 2023 in which it granted reaccreditation to Life West. Among the several issues that Life West was charged to work on and address with WASC is “to build the capacity and engagement of the Board by ... strengthening Board training while expanding governance capacity, including recruiting additional Board members with higher education and other relevant expertise.” The Commission called for an Interim Report in November 2024 and a Special Visit in the fall 2026, at which time Life West must address these board-related concerns.

¹ **Shared governance is a foundational tenet of higher education.** This principle “acknowledges the final institutional authority of governing boards and distributed authority to the administration and faculty.” Traditionally, governing boards delegate the responsibility of strategic planning and daily management to presidents, while faculty lead educational delivery. Delegation of authority between key constituents on campus strengthens institutions by championing meaningful engagement and inclusive, transparent decision-making. Effective shared governance strengthens institutions by serving as a vehicle for necessary change,” and such innovation is essential to confronting today’s uncertain higher education environment. Strong shared governance informs decisions. A governing board’s commitment to the practice of shared governance “bears fruit for the institution in the form of mutual trust in challenging times, support for innovation, and shared commitment to goals for building a stronger future.” Association of Governing Boards

Analysis

The materials provided included a letter from the law firm of Adler and Colvin to Life West's counsel, Joel Siegal; the draft of a complaint against the Board of Regents for Breach of Fiduciary Duty and Declaratory Relief; a letter from Joel Siegal to the Board of Regents, dated February 2024; and a letter from Mr. Siegal to the Board dated June 20, 2024; Life West's Bylaws and minutes of some board meetings; communications by and among members of the Board.

Composition and Size of the Board

- The Board has fallen below the minimum number of members required by the Articles of Incorporation (7) and may at times have fallen below the Bylaw requirement of five (5). At present the Board appears to have five members, all of whom are men and four of whom are chiropractors.
- The composition of the Board has not changed substantially in recent years with two board members having served for at least 10 years (Chair Amit "Jimmy" Nanda for 10 years and Steven Silk for 12 years).
- The Board has not appointed any new members that would diversify and strengthen its areas of expertise. It has not appointed any women and remains all men. All but one member are chiropractors. No persons with higher education background or financial expertise have been added.
- The Board took action to remove the one member of the Board with financial expertise, Scott Turner, in May 2024. At that time, the Board elected all members except Regent Turner to new three-year terms. The reasons for calling for this election at this time are unclear. Concerns have been raised that Regent Turner was not re-elected because of objections he raised about certain conduct of the Board.

A board of only five members may not conform to Life West's own organizing documents and does not conform to WASC expectations for the size or composition of a board. As noted in the Adler memorandum, a board of only five members is not large enough to conduct the work required of a higher education governing body. There are not sufficient Regents to populate the expected number of committees (usually at a minimum Audit, Finance, Academic, and Governance). The Life West Bylaws call for Executive and Governance/Board Affairs Committees, and the Board has established other committees, namely Academic Affairs Committee, Finance Committee, Audit Committee, and Diversity and Inclusion Committee with ad hoc committees on Strategic Planning and Negotiation. The Bylaws call for at least three members on a committee, which means that each of the five current members would need to serve on four or five committees; this is not only not feasible, but the members do not have the expertise needed on all these committees. This unacceptably low board size is noncompliant and unworkable and has persisted for at least three years.

Additionally, a five-person board can convene with only three persons present and a majority of two can make important decisions on behalf of the institution. By any fiduciary, legal or accreditation standard, this is an unacceptably small number of persons to control the highest level of decisions in a complex institution of higher education with hundreds of students and employees.

Related to size is the composition of the Board, which does not conform to WASC policies and expectations regarding the qualifications and expertise expected of boards and the diversity of the board members. As noted above, the current Board is all male and four of five members are chiropractors. Boards are expected to have diverse members with the wide range of expertise needed to consider and make informed decisions. This means having members with expertise in higher education (outside one discipline, as noted by the WASC visiting team and Commission), but also in the key areas of board responsibility, especially finances and in other areas relevant to the Life West priorities and challenges, e.g., enrollment/marketing, strategic planning, advancement, technology, facilities, human resources, global education, governance, and organizational change. Related is the recent failure to re-elect Mr. Turner, leaving the Board without any financial expert. (Note that whether the board's action was legitimate and effective is in dispute.) The nonconforming composition of the board has been an issue for at least three years.

Operation of the Board

- The Board committees are not meeting regularly, and some may not be populated and operational at all.
- The Board is a self-perpetuating body with a Governance/Board Affairs Committee that is charged to ensure sound board practice and adherence to Bylaws and to identify and recommend qualified candidates for election to the Board.
- The Board attempted to amend the Bylaws to extend the current Board members' terms beyond the term limit of three consecutive three-year terms. It is unclear from the documentation if that amendment was adopted. In any case, in 2021 the Board elected the then-current members to new terms, resulting in two members now serving terms beyond the Bylaws-mandated three-term limit.
- As a result of electing Board members for new terms in 2021, terms are no longer staggered, which is required by the Bylaws, and all the affected Board members can theoretically serve three more three-year terms, with the potential that some Board members will serve on the Board for as long as 20 years.
- The Board may have taken actions without meeting Bylaws quorum requirements.
- The Board has held meetings and Board committee meetings without notice to or participation of the President, who is an ex officio member of the Board and all committees.

The current Board is not adhering to the Life West Bylaws and to WASC policy about Board operation in several respects, including populating and convening committees to discuss

important issues within the committees' scope; notifying the President of all meetings and enabling his attendance; honoring quorum requirements that call for a majority of members present to take actions; having staggered terms; and honoring term limits.

In 2021, the Board acted to extend the terms of the current members so that they could serve beyond the maximum nine years. Service for more than nine years not only violates the Bylaws but is also longer than the usual two or three three-year terms adopted commonly as good practice by non-profit higher education boards. This act alone gives the appearance, when taken together with other facts set forth below, of the Board's attempting to protect the personal and financial interests of its members as individuals, and not following the Bylaws or acting in the best interests of the institution.

The best interests of Life West would have been served by the Board identifying, vetting, electing, and orienting new members with good qualifications and diverse backgrounds to fully populate and renew the Board and its committees. Board succession planning is key to having an effective board and good governance.

Board Compliance with Conflict Policies and Fiduciary Responsibilities

- The Board members have not all submitted annual conflict of interest disclosure statements each year.
- One or more Board members appear to have conflicts of interest, including contractual relationships and/or payments beyond normal reimbursement, which may also constitute compensation. Compensation is not permitted under the Bylaws and WASC policy for independent board members.
- One board member, Cameron Hastings, was hired as a consultant for compensation of \$150,000 a year. Because Board members are prohibited from receiving compensation, Mr. Hastings took a leave from the Board but was "reinstated" at a later date while he was still being compensated.
- At least one Board member, the Chair, Amit "Jimmy" Nanda, is reported to have used a Life West credit card to expend funds for his personal use and other activities not approved by the administration and not processed through regular channels for decision making or payment of expenses. Some of his expenditures may not have been in the best interests of Life West but rather served only his personal interests.
- The Board has held several excessively expensive multiple-day meetings in locations outside the US and the state. Holding meetings in those locations was not necessary for the effective operation of the Board or related to other Life West business in those locations. Importantly, Board members' family members' and guests' expenses were also reimbursed in violation of Life West policy.
- Based on the Adler letter, the actions above may violate state and federal laws and regulations and jeopardize the legal status of the institution.

The likely violations of state and federal law described in the Adler letter also constitute violations of the WASC Standards and policies stated above concerning both board governance and integrity. As noted above, boards are charged to ensure that the institution complies with all applicable laws and regulations and fulfills its legal and fiduciary responsibilities. Board members may not act individually, which the Life West Board Chair appears to have done.

Under WASC Standards on integrity, boards must act with honesty and transparency and follow institutional rules and processes, including the Bylaws but also institutional processes and policies such as those about expenditures and reimbursements.

In addition to the legal implications arising from the Board's actions, these actions demonstrate a failure to adhere to principles of shared governance. Among these improper actions are the Board Chair's expending Life West funds without appropriate process or approval and acted on his own to expend funds outside of the budget. These actions violate the principles of delegation of financial management and daily management of finances to the President and violate the principles that separate the roles of boards and administration. In addition, some expenditures made by the board Chair were apparently for his personal benefit and not in the interests of the institution. As noted above, the Board has not adhered to requirements of WASC policy that call for boards to delegate the day-to-day operations to the president. Documentation showed that the Board Chair circumvented the President's proper role when the member expended Life West funds without approval and failed to include him in Board meetings.

At least some of the payments to and reimbursements to Board members appear to constitute compensation in contravention of the Bylaws. Receiving compensation also creates a conflict of interest. It appears that the affected Regents did not disclose these conflicts or abide by proper processes that must be followed when conflicts arise. The information provided shows that the Board Chair and others have not complied with legal and accreditation requirements concerning conflicts of interest and compensation. By planning and expending Life West's funds on unnecessary and expensive meetings and travel, not only for themselves but for family members and guests, they have placed themselves in a conflicted position and breached their fiduciary duties in violation of WASC policy as stated above.

Conclusion

Based on this analysis, I have concluded that Life West's Board is not in compliance with WASC Standards of Accreditation related to board governance and integrity. As set forth above, the Board's composition and actions do not comply with the Standards and policies regarding the size, composition and expertise, diversity, conflicts of interest, compensation, delegation of authority to the President, fiduciary duties, and acting in the best interests of the institution. Importantly, it appears from the Adler memorandum that

the board has taken actions that do not comply with state and federal laws and regulations, which also in itself violates WASC policy.

The Board's conduct that has led to this point has taken place over at least the last three years. Attempts have been made, in particular since December 2023, by Regent Turner and by Life West's counsel Joel Siegal to persuade the Board to rectify this situation. Counsel Siegal properly requested a review of the situation by Adler and Colvin, an independent law firm specializing in non-profit entities. The Adler letter sets forth the facts and allegations and clearly states the potential consequences, which include great risks to the legal, tax, and accreditation status of the College, including the possible loss of accreditation, non-profit status, and tax exemptions and related financial liability.

In WASC Standard 1 on Mission and Integrity, CFR 1.8 states that:

The institution is committed to honest and open communication with the Commission and to undertaking the accreditation review process with seriousness and candor. The institution abides by Commission policies and procedures and informs the Commission promptly of any matter that could affect the accreditation status of the institution. (emphasis added)

The Board and the leadership are not only obligated to take immediate corrective action re the violations noted in this and the Adler memorandum but also to inform WASC.

Violations of this nature, because of the integrity issues they raise, are taken very seriously by WASC. Upon learning of this situation, WASC would likely take immediate action to conduct an investigation, which could lead to an Order to Show Cause why accreditation should not be withdrawn. The relevant policy from the 2023 Handbook of Accreditation (Sanctions for Unethical Institutional Behavior) states:

If it appears to the Commission or its staff that an institution is out of compliance with Standard One (Defining Institutional Mission and Acting with Integrity) in a manner that requires immediate attention, the Commission will conduct an investigation, issue a letter of findings to the institution, and give the institution an opportunity to respond. If the Commission concludes that the institution is out of compliance due to unlawful or unethical conduct it may: ... either:

- a. Issue an Order to Show Cause why its candidacy or accreditation should not be withdrawn at the end of a stated period;
- b. In an extreme case, sever its relationship with the institution by denying or withdrawing candidacy or accreditation; or
- c. Apply less severe sanctions as deemed appropriate.

In my opinion, given the seriousness of the noncompliance with WASC Standards and policies, the appropriate course of action is for the Board to take immediate and definitive corrective actions. Such actions should include resignations by members who are past the

term limits set forth in the Bylaws or have participated in other conduct that violates the law, College policies, and WASC Standards and policies. In keeping with legal precedent, the Board should be re-populated immediately with a sufficient number of qualified and diverse members who can act on an independent investigation and take whatever further actions are necessary to restore the integrity of board governance.

If such actions are not taken immediately, it is my opinion that the President must inform WASC as he is obligated as the chief executive officer to do so under WASC CFR 1.8. Failure to inform WASC would be treated as a further breach of the Standards. If the leadership approaches WASC showing that appropriate actions have been taken and a concrete plan is in place to bring the institution into full conformity with the law and WASC Standards, there is some chance that the matter can be resolved with WASC without a Show Cause.

Exhibit Three

As discussed in the other documentation the Board has received, there are numerous allegations regarding the Board's activities that could be deemed a violation of WSCUC's Standards of Accreditation and its Governance policies. If found to be true, WSCUC could take one of the following actions:

1. Issue a Notice of Concern

The Commission issues a Notice of Concern when it determines that an institution is currently meeting WSCUC Standards but is in danger of being found out of compliance with one or more Standards if current trends continue. When a Notice of Concern is issued, the institution typically will have a Special Visit within four years to assess its progress. **A Notice of Concern is public information and is posted on the WSCUC website and reported to the U.S. Department of Education ("ED").** If the Commission's concerns are not addressed by the time of the next interaction with WSCUC, a sanction as described below may be imposed.

2. Issue Sanctions

When the Commission finds that an institution fails to meet one or more of the Standards of Accreditation, it notifies the institution of these findings and gives the institution a specific period of time from the date of the action to institute corrective measures.

If an institution has not come into compliance with the Standards at the conclusion of the sanction period, the Commission will withdraw accreditation unless it determines that a good cause extension of accreditation is warranted. Institutions under sanction, therefore, must address the Commission's findings expeditiously, with the full attention of the institution's leadership.

The three sanctions—Warning, Probation, and Order to Show Cause—inform the institution and the public of WSCUC's determination that an institution is not meeting one or more Standards. **All sanctions must be made public on the institution's website homepage and are published on WSCUC's website.** WSCUC also publishes the Commission action letter and any related team report, in accordance with the WSCUC policy on Disclosure of Accreditation Documents and Commission Actions, including a notification to ED. Institutions under sanction must notify students and other constituents of the Commission action.

Note that under any of the following statuses, **any new site or degree program initiated by the institution is regarded as a substantive change and subject to the substantive change application process.**

Warning Status

A Warning results when there is a finding that the institution fails to meet one or more of the Standards of Accreditation.

Probation Status

Probation reflects a finding that the institution has significant issues of noncompliance with one or more of the Standards of Accreditation. **While on Probation, the institution is subject to special scrutiny by the Commission, which may include a requirement to submit periodic reports and to receive Special Visits by representatives of the Commission.**

Show Cause Order

An Order to Show Cause is a decision by the Commission to terminate the accreditation of the institution. Such an Order may be issued when an institution is found to be in substantial noncompliance with one or more Commission Standards or, having been placed on Warning or Probation for at least one year, has been found not to have made sufficient progress to come into compliance with the Standards. **An Order to Show Cause may also be issued as a summary sanction for unethical institutional behavior (see Summary Sanctions for Unethical Institutional Behavior, below).** In response to the Order, the institution has the burden of proving why its candidacy or accreditation should not be terminated. The institution must demonstrate that it has responded satisfactorily to Commission concerns, has come into compliance with all Standards, and will likely be able to sustain compliance.

During this period, the institution may be subject to special scrutiny by the Commission, which may include special conditions and requirements to submit reports or receive Special Visits by representatives of the Commission. The institution may request that the Commission review its action according to the Review of Commission Action Policy.

3. Summary Sanctions for Unethical Institutional Behavior

If it appears to the Commission or its staff that an institution is out of compliance with Standard One (Defining Institutional Mission and Acting with Integrity) in a manner that requires immediate attention, **the Commission will conduct an investigation, issue a letter of findings to the institution, and give the institution an opportunity to respond.** If the Commission concludes that the institution is out of compliance due to unlawful or unethical conduct it may:

- Sever relations if the institution has applied for, but has not yet been granted, candidacy or initial accreditation; or
- If the institution is a candidate or accredited, either:
 - issue an Order to Show Cause why its candidacy or accreditation should not be withdrawn at the end of a stated period;
 - in an extreme case, sever its relationship with the institution by denying or withdrawing candidacy or accreditation; or
- Apply less severe sanctions as deemed appropriate.

Sanction by the U.S. Department of Education

If WSCUC were to issue any of the sanctions above, the agency is obligated to report the action to ED, as is the institution itself. Negative accreditor actions result in additional ED requirements including reporting and potential financial protection, including the following:

1. Under 34 CFR 668.16, an institution must exhibit sufficient administrative capability to administer and manage participation in the Federal Student Aid ("FSA") program. One of the elements of administrative capability is that the institution show no evidence of significant problems that affect, as determined by the Secretary, the institution's ability to administer a the FSA program and that are identified in actions or reports from the accrediting agency.
2. Under 34 CFR 668.171, an institution must exhibit sufficient financial strength and responsibility to participate in the FSA programs. An institution is required to report to ED, within 10 days, if an accrediting agency places the institution on probation or issues a show-cause order or places the institution in a comparable status that poses an equivalent or greater risk to its accreditation, authorization, or eligibility.

Violations of the administrative capability and financial responsibility regulations are considered extremely serious by ED, as the agency considers negative actions taken by an accreditor as a potential sign of institutional failure, that could result in closure of the institution and liabilities to ED and taxpayers. Thus, if WSCUC were to take an action against an institution based on violations of these requirements, that then triggers an administrative action from ED, such as:

1. A demand for a letter of credit based on 50% of the prior year's federal student aid receipts; or
2. The institution is placed on Provisional Certification status which requires the following:
 - a. A minimum 10% letter of credit
 - b. Federal student aid must be processed under Heightened Cash Monitoring or Reimbursement method
 - c. Additional reporting
 - d. Restrictions on additional programs and locations; or
3. Investigation by ED (whether through a Program Review or through the Enforcement Unit) that may result in financial liabilities; or
4. ED may initiate a Fine, Limitation, Suspension or Termination action under Subpart G of Title 668 which could limit or end the institution's access to the federal student aid programs.

Exhibit Four



LIFE CHIROPRACTIC
COLLEGE WEST

February 3, 2024

To: Life Chiropractic College West Board of Regents:
Dr. Amit Jimmy Nanda
Dr. Steven Silk
Dr. Niraj Patel
Dr. Angel-Ochoa-Rea
Dr. Edward Sordillo
Mr. Scott Turner

Re: Scott Turner as Chairperson of the Finance Committee; John and Jane Does as Relators;
Attorney General of the State of California

v.

Life Chiropractic College Board of Regents collectively, and as individuals; Amit Nanda;
Steven Silk; Niraj Patel; Angel Ochoa-Rea; Dr. Edward Sordillo; Mr. Scott Turner

Superior Court of California County of Alameda

(Case not yet filed)

Dear Drs. Nanda; Silk; Patel; Ochoa-Rea; Sordillo and Mr. Turner:

I am the staff attorney for Life Chiropractic College West. Over the past fourteen months, I was tasked by Dr. Ronald Oberstein, to investigate the operations of various departments within the College regarding their legal compliance, and general operating procedures.

Together with my colleague, attorney Jeri Holmes, and other higher education governance experts, I have concluded that the Board of Regents of the College have violated several provisions of both California and United States federal tax law. This investigation concluded that the Board's cavalier financial mismanagement practices expose the College and individual Board members to substantial intermediate sanctions, which include the repayment of excess benefit transactions and possible penalties. Equally more consequential, the College may face revocation of its 501(c) (3) tax-exempt status as well as loss of its accreditation from WASC. Understanding that at least half of the allegations in this letter concern financial matters, I contacted the Board Finance Chairman, Scott Turner. Mr. Turner shared with me that at a recent Board meeting (one convened without proper legal notice) the Board voted that all finance decisions be managed by the governance committee of the Board. This was troubling to me since Mr. Turner as a licensed CPA seems to be the most qualified person to lead a robust finance committee. Mr. Turner advised me that he too was concerned about Board spending and the Board's failure to operate pursuant to California regulations. We spoke at length about the possibility of a suit being filed in the Superior Court, to alert the California Attorney General of the improprieties of finance and inappropriate governance. We concluded that suit would be disastrous for The College, as it would be public and aggressive litigation. Suit would have an adverse impact on student applications for admissions. It would also adversely affect Dr. Kevorkian's role in attracting donors. Suit would affect The Colleges certification, and ultimately would be disastrous. Yet, the consequences of doing nothing can also be disastrous to the College as well. Just last week, the Ninth Circuit Court of Appeals, in *Grand Canyon University v. Rosenfelt* were called upon to determine whether there was private inurement of spending by Board members and the College. A finding of a Private inurement, specifically would affect our 501 (C)(3) status and would be disastrous for the college. In *Spokane Motorcycle Club v. U.S.* 222 F. Supp 151 (E.D. Wash 1963) that status was removed because of an inurement of only \$825.00 As indicated here the sums indicated in this letter and exhibits exceed \$825.00 exponentially. Analyzing the attached documents confirm Board expenses for a budget of \$101,000.00 for the year to already be at \$100,000.00 for just the first six months of the year. The Board has indicated that they would like to increase their budget to between \$250,000 and \$500,000.00 In light of the fact that the College's major source of revenue is from student tuition, mostly in the form of loans supervised by the Federal Department of Education, continued overspending and mismanagement by the Board will affect our status and our accreditation.

I am currently in the process of preparing the above-cited litigation for an action to be filed in State Court, naming the California Attorney General, several relators, and plaintiffs in a Qui Tam Action. Mr. Turner as chair of the finance Committee would be a distinguished Plaintiff. In my call with Mr. Turner, I inquired as to whether he would agree to be a plaintiff if other Board members failed to become involved in remedying this situation. Mr. Turner advised that he would serve as a plaintiff under those circumstances. Thus as you can see in the caption of this letter, I have not listed Scott Turner as a potential defendant. As you may know, Dr. Oberstein as a director may be a plaintiff as well. The results of my investigation, along with the frustrations of employees regarding the manner that the Board has operated, by authorizing extensive private benefits and perks to its own members and immediate family members along with personal and civic organizations is a violation of the California Corporations Code. *Lynch v. Spilman*, 67 Cal. 2d 251, 261 (Cal. 1967). While I have yet to confirm that Dr. Oberstein would agree to be a plaintiff in such an action, his emails over the past few months confirm his concern that the Board is spending money in violation of the California Corporations Code. It seems to me that Dr. Oberstein is a protected whistleblower under both Federal and State Law. As the College lawyer, it is my responsibility to advise that firing Oberstein could expose the College to very significant compensatory and punitive damages, much of which would not be covered by insurance, and ultimately it would be the College which bore that burden. While I have no authority to give the Board advice, as the College lawyer, let me be clear that in my opinion firing Oberstein after his articulated complaints about Board malfeasance confirms his status as a protected whistleblower. This letter also serves to notify you of the misuse of state and federal funds by the Board of Life Chiropractic College West, a designated 501(c)(3) tax-exempt corporation. Since the College receives the majority of its funding from the United States Department of Education, the misuse of these federal funds poses very serious consequences for both the College and the Board even as individuals. A law suit would articulate causes of action for Fraud, Civil RICO, Tax Evasion, a qui tam action under the False Claims Act (See *United States ex rel. Eisenstein v. City of New York*, 556 U.S. 928 (2009)), violations of the California Taxation and Revenue Code section 17201 and 24357-24359; violations of Internal Revenue Code Section 170; violations of California Government Code 12580, and various violations of the California Corporations Code.

In this letter and the attached exhibits, it is confirmed that the Board has taken actions inconsistent with California and Federal Law. I expect you may react to this letter by consulting counsel. I urge that you do so and I urge that Counsel contact me within ten days from the date of this letter. In the final paragraphs of this letter, I propose a solution to this crisis short of litigation. I hope that the Boards' attorney will accept this proposal. Short of that, we will need to file suit. You should recognize that the allegations asserted in the complaint that I may need to file will only include allegations of intentional conduct. As such, California Insurance Code section 533 specifically excludes insurance coverage for those occurrences. I also discussed this intentional conduct with the College's insurance carriers, as to whether or not the College's Errors and Omissions (D&O) insurance policy would cover such allegations of Board member

misfeasance. I was advised that coverage will NOT be provided for these claims and that each Board member will need to obtain and pay for their own counsel. The College will adamantly refuse to pay for counsel, or for Board members' expenses in traveling to California to be present at depositions or other court hearings.

I write pursuant to California Corporations Code sections 5141, 5142, and 5710 in an effort to informally resolve these issues.

The attached documents confirms both the financial and governance improprieties that would lead the Board as a whole and as individuals to be liable. Since Federal and State Funds are at play, the inurement of those funds could potentially also lead to criminal investigations and possible prosecutions by local police and District Attorneys and by the F.B.I. since Federal Funds are involved. Neither Drs, Nanda, Silk, nor Sordillo should expect protection from these allegations as foreign nationals. The issues arise in California, and law enforcement officials here have jurisdiction.

The documents attached confirm how the Board has chosen to act like a private club rather than a legitimate Board of Directors. These documents confirm that Dr. Nanda, the Board Chair, used his College Amex Credit Card to book a personal trip for over three thousand dollars (\$3,000). When confronted with this, Dr. Nanda proclaimed that he inadvertently used the corporate card instead of his personal card. He asked for time to work with Amex to have the charges shifted from the College Amex Credit Card to his own personnel card. Eleven months have passed since these charges were made on the College's Amex account, and Dr. Nanda has only now, eleven months post charging the College \$3,000 for a personal trip made, repayment. Dr. Nanda had failed for eleven months to respond to the request that he immediately reimburse the College for the conversion of three thousand dollars. I hope that Dr. Nanda understands that even if initially his mistake was inadvertent, in failing to reimburse the College for over 11 months, his actions constitute the civil wrong of fraud. A finding of fraud would likely result in Dr. Nanda having to pay substantial punitive damages and further cast him in a bad light in the chiropractic community. Dr. Nanda's timing of repaying his personal expenses charged to the College is also suspect. In December 2023, when Dr. Oberstein confronted several persons about excessive travel arrangements for non-authorized trips to India, it was only at that moment that Dr. Nanda repaid the College after 11 months.

The next set of documents confirms all charges on Dr. Nanda's College card. Since Dr. Nanda lives in Canada, his charges for restaurants and Ubers within his hometown, and the contribution to a Temple of over one thousand dollars are sums that the California Attorney General will find suspicious, and will conclude a misuse of 501 C 3 and Federal Education Funds. The attached documents also provides copies of the minutes of various examples of undemocratic and self-serving Board Resolutions. The California Corporations Code requires that directors act as a fiduciary to the College and not utilize the College's assets or their position for their private benefit. *See California Corporation Code 5321.* The most recent bylaw amendments virtually create a kingdom, where the Board can seemingly serve for up to six terms. This provision also violates the prior rule about staggering terms. In addition, when adopting this change to the bylaws, the Board did not follow the notice requirements as to giving 10 days advance notice of an amendment to the bylaws with the proposed amendment provided to all board members for review. Aside from undemocratic rules, this Exhibit also shows the Board voting in Executive Session to give each member an honorarium for attending board meetings at \$1,000 for in person attendance, and \$100 to attend via zoom or telephone. This authorization of an honorarium was not approved in line with the College's conflict of interest policies and all board members had a personal interest in this transaction, which authorized a private benefit to the Board as well as its immediate family members for payment of their expenses. Even in the halls of America's most successful for-profit corporations the perks of being a board member do not match the perks of being a board member at the College. It is outrageous, and I am confident that if not corrected, the California Attorney General will mandate that such an honorarium and extensive attendance expense allowance to the Board and its immediate family members be changed. Additionally outrageous is the fact that the Board consistently approves its use of first class travel only as well as travel to non-College approved activities for the Board.

- A. Demanded Resolution: Each Board member who has accepted an honorarium to attend a board meeting in person or online needs to refund that money and resign immediately. Each Board member additionally needs to pay the difference of a first-class airline ticket and the economy rate to the College for all travel related expenses incurred in the last five (5) years as a member of the Board. This includes repayment for all expenses received for any immediate family members' travel or expenses and any non-College approved events the Board inappropriately authorized. Exhibit Three highlights the liberal approval of an honorarium to a board member. Despite the liberality expressed in Exhibit Two, this Board cannot say no, even when the facts stare at them in their own eyes. Despite the approved rule that an honorarium and expenses be paid when a board member personally attends a board meeting, the Board still approved the honorarium and expenses of Dr. Silk who only attended ten minutes of a board meeting by phone. The Board gave no official reason for granting Dr. Silk his "in person Honorarium and Expenses" along with hotel, car rental, and food bills that were expensed at least 10 days prior to the college event despite the fact that Dr. Silk only attended ten minutes by phone of the board

meeting. Even if the Board asserts that Dr. Silk was unable to attend in person due to a family emergency, then he should not have been paid the in-person honorarium but rather a prorated sum of the \$100 honorarium as designated for online or telephone participation.

- B. Demanded Resolution: Dr. Silk reimburses the College this honorarium and expenses reimbursed for his hotel, car rental, and food bills, and he resigns immediately from the Board.

The attached documents also confirm that the Board spends money without regard for the College, the Board budget, or those who donate generously to the College.. The attached documents showcase the Board's permissive spending for Board members to fly to non-board activities as a College expense; expensing to the Board budget contributions to a local organization in Canada with close ties to a Board member; Board members to fly first class; Board members to submit credit card statements of meals and meetings with "stakeholders" with no further detailed itemization of who are those stakeholders, or as to the purpose of the meeting. These actions will likely trigger an audit and expose the College and Board members, in their individual capacity, to substantial penalties and interest.

A. Demanded Resolution: Each Board member who has accepted a first-class air ticket, or any board member who has traveled to a non-board event, charged the College, or used College funds for supposed stakeholder meetings without itemized documentation should resign immediately, and repay all associated College funds utilized for these activities.

The attached documents also show numerous occasions when the Board authorized and sometimes did not authorize, but a Board member nonetheless flew first class as an expense to the College. A first-class ticket often is in excess of five thousand (\$5,000) dollars. The College is a tax-exempt 501(c) (3) organization. Board members are charged with prudently managing the resources of the College and this action fails to show prudent management, rather a self-serving decision.

A. Demanded Resolution: Each Board member who accepted first class travel must resign immediately and repay the College the difference of such costs for first class travel versus an economy rate.

The attached documents also demonstrate several events of the College, which do not require Board participation but nevertheless the Board attends and expends its attendance to the College. For example, there is a yearly event called the WAVE, which demonstrates the effectiveness of the College. Another example is an event taking place the weekend of January 13, 2024. During that weekend, the College is celebrating the life of a recently passed President of the College. While Board members are certainly invited to attend this memorial for Dr. Gerry Clum, it is not prudent to reimburse Board members should they choose to come to California

for this event. Remembering that the majority of Board members are in Canada and the east coast as well as a recent member has been added from Ireland, it is not prudent for the Board to expect or to demand reimbursement for such unrequired travel.

A. Demanded resolution: Any Board member who received reimbursement of travel or other expenses from non-board meetings must reimburse the College and must resign immediately.

The documents also confirm that: In a recent meeting, it was discovered the Board has already spent well over \$100,000 for just six months of its annual \$101,000 budget. The Board acknowledged that it is having issues with compliance. The Board also discussed possibly taking a loan out against the recently endowed fund in the Schwab account for money earned from the sale of the College building to substantially increase its annual Board budget. Personally, I fear that the Board's knowledge that this sum has recently been deposited into the account is one of the bases for the Board's imprudent and illegal business decisions. In addition, the Board asked to borrow from next year's Board budget for use this fiscal year, which does not even exist. It was also stated since the Board did not use all of its budget monies the past two years during COVID, that the Board could use money against those years.

The attached documents also confirm board meetings in other countries and cities outside California. It is outrageous that the Board should confirm its meetings in Spain and Las Vegas, and further authorize first class travel, and accommodations for its members. Also, it is hard to conceive of a rationale for the Board authorizing more than at most two or three days for such meetings. Historically the Board meets for an average of 6-8 hours on one day only. Thus, covering expenses for 3-4 days is outrageous, and an imprudent use of college money. It appears as a private benefit to the Board rather than a justified use of college resources considering that travel to Spain or Las Vegas does not further the mission of the College or its activities.

A. Demanded Resolution: The Board should reimburse all funds from these trips and resign.

The attached documents also confirm that Board members refuse to annually complete and disclose all required conflicts of interest in line with College policies. The College's auditors, California law, and College policy require Board members to annually complete a conflict-of-interest form. Sadly, Dr. Nanda and Dr. Ochoa-Rea have been obstinate in failing to meet this very simple requirement. Despite repeated requests from the Board secretary, Dr Nanda consistently refuses to turn in his conflict form and Dr. Ochoa-Rea insists that he is only responsible to Dr. Nanda, and thus he did not complete his conflict of interest form. Rather, Dr.

Ochoa-Rea indicated on the form "same as last year." Remember, we are consistently audited and those responses will not pass auditor inspection.

A. Demanded Resolution: Dr. Nanda and Dr. Ochoa-Rea need to resign immediately.

The attached documents also show the usage of College resources for Board travel to India and Australia. The Board authorized and, in some cases, paid without authorization or knowledge from the College for Board trips to India, planned for 2024, and a trip to Australia that occurred in 2023.

A. Demanded Resolution: Each Board member who received any reimbursement as to these trips needs to repay the College and resign immediately from the Board.

The attached documents concern the consultancy relationship of Cameron Hastings, a former member of the Board. As a Canadian he in most likelihood has worked and knows Dr. Nanda and/or Dr. Silk. Cameron Hastings was convicted of an election crime in Canada. I am, however, unable to ascertain whether that crime is a felony or misdemeanor. He was also provided a contract for over \$150,000 to work as a consultant for the College. There has been no supervision of that agreement from the Board. The contract additionally provides for payment of expenses to Cameron Hastings wife, which appear to be unrelated to the overall scope of the agreement.

A. Demanded Resolution: The contract with Cameron Hastings must be terminated immediately.

The attached documents confirm the practice of Board members refusing to itemize expenses for reimbursement. Board members are allowed to place items on their personal credit cards and simply identify the expense as a "stakeholder meeting." Yet, when questioned as to whom the meeting was with or for what purpose the meeting was held, the Board members have consistently refused to answer or provide any specific detail.

The attached documents confirm the Board's usage of College funds to support a Board member's preferred charity. The Board authorized a contribution to a Temple in Canada in honor of Diwali. While showing support for Indian culture and religion is important especially in light of the College's programs in India, a donation to a Temple in the hometown of Dr. Nanda without the knowledge or approval of College staff can only be seen as self-serving and self-dealing. The Attorney General will likely conclude this as well.

A. Demanded Resolution. Dr. Nanda must refund this contribution to the College and must resign immediately from the Board.

14. Exhibit 14 is the College Amex credit card statements from the account of Dr. Nanda for the past six months. Dr. Nanda has consistently refused to provide further information regarding his

expenses, and for all the College knows, none of these expenses are in fact legitimate Board expenses.

A. Demanded Resolution and conclusion: Dr. Nanda should refund this money to the College and must resign immediately.

Gentlemen, I am at a loss. I know that filing an action against the Board directors will expose the College to ruin. I also know that not doing so will equally expose the college to ruin. I am forwarding this letter and material to you and urging that you convene an emergency meeting of the Board. In such a meeting I urge that you engage counsel, and forward this letter and the attached material to competent California Counsel. I would urge that your counsel contact me to discuss this very serious situation within ten days from the date of this letter. I would propose to your counsel, and I hereby propose that we engage an experienced competent mediator, who will analyze the issues raised in this letter and attempt to resolve those issues without litigation. Should I not hear from your counsel, I will need to file, or alternatively, send a copy of this letter and these materials to the California Attorney General. The California Attorney General office has a division which specifically monitors charitable institutions like the College.

If I do not hear from you about the proposal for mediation, I would file an action on February 23, 2024, or write to appropriate law enforcement officials. Please feel free to forward this to other Board members and invite them to such a proposed mediation, or to have their lawyer contact me immediately.

Sincerely,

Joel H. Siegal

Life Chiropractic College West - General Counsel
25001 Industrial Blvd, Hayward, CA 94545 USA
P +1 (510) 780-4500 E [REDACTED] lifewest.edu

Exhibit

5



SIEGAL & RICHARDSON, LLP
ATTORNEYS & COUNSELORS AT LAW

THE HISTORIC CENTRAL BUILDING
[REDACTED]

OAKLAND, CA 94612

TEL: [REDACTED]

FAX: [REDACTED]

June 20, 2024

VIA EMAIL

Amit "Jimmy" Nanda, D.C. (Chair)

Email: [REDACTED]

Angel Ochoa-Rea, DC

Email: [REDACTED]

Niraj Patel, DC

Email: [REDACTED]

Ron Oberstein, DC

[REDACTED]

Steven Silk, D.C.

Email: [REDACTED]

Edward Sordillo, DC

Email: [REDACTED]

Scott Turner, CPA

Email: [REDACTED]

Joel h. Siegal, Esq

Email: [REDACTED]

Natasha Baker, Esq

Email: [REDACTED]

Re: Phone conversation with Natasha Baker on March 15, 2024

Dear Dr. Nanda, Dr. Silk, Dr. Patel, Dr. Ochoa-Rea, Dr. Sordillo, Mr. Turner, and Dr. Oberstein:

Thank you all for participating in the phone conversation with Natasha Baker and me on March 15, 2024. I appreciate Natasha's comments that we all need to do some soul searching to confirm that everything that we do is solely for the benefit of The College and in compliance with California Non-Profit Codes and excellent Board Governance Procedures.

Natasha's warnings that there is "disfunction" between the Board and Management, at the College, is troubling. As both Natasha and Cathy Trower confirm, a lack of communication between the Board and Management, and an inability to work as one entity for the benefit of the college is often the reason for both liability to individual Board Members, and failure of the college. Clearly this is what needs to be avoided and addressed.

I – MY ROLE – GENERAL COUNSEL

I attach here as **Exhibit One** a copy of a March 20, 2024, email from Natasha Baker to me:

Since Natasha indicates that a vital part of the Board's role is working with Management, I respectfully request that you immediately forward to me, all emails, text, WhatsApp, or other electronic communications or any other communication from any Board personnel to any other personnel, regarding any college relating events, activities, or projects. We cannot have open communication if the Board is not sharing those communications with General Counsel (me).

Obviously, none of Natasha's admonitions about communication with management accrued even after the telephone conversation with her. It seems obvious that the board is taking action in contradiction to California law. The only solution at this point should be a resignation of board members who fail to comply with the legal advice that they are given by college attorneys.

IV (A) CANCEL BOARD MEETING IN SPAIN

Following the meeting with Natasha, I have researched with other attorneys and consulted with governance experts. I can find no expert, nor any legal case or statute, which stands for the proposition that a Board of Directors of a 501 C 3 Educational Institution based in Hayward California should have a single-day or multi-day board meeting outside the country in Spain or anywhere else that may produce the same results at a location closer to the college or the majority of Board Members. While having a Board Retreat is appropriate, Meeting in Spain, as currently proposed, presents the appearance of impropriety. Please note there is no legal basis for having a board meeting in Spain and spending federal dollars to do so not only out the college at risk, but each board member as well. By legal standards and proper governance standards, the meeting in Spain needs to be cancelled immediately, and if flight have been purchased, they should be canceled immediately.

IV (B) THE HIRING OF A FULL TIME CONTRACTOR

I have consulted with governance experts and researched cases and California Statutes. In my legal opinion, the hiring of Cameron Hastings to work as a consultant on property in Arizona for a sum of \$150,000.00 per year plus expenses is a violation of both the Board's fiduciary duties to the College, and a breach of the non- self-serving duty of board members. Mr. Hastings, as a former Board Member with personal relations to multiple board members, was not an appropriate choice to hire as a consultant. Further, Mr. Hastings as a non-resident of Arizona, and a non-lawyer, demonstrates no unique skill set for this project. His hire may be seen by regulating officials as a violation of duties owed to the College, compounded by the fact the college has the bandwidth to do the work Mr. Hastings has been hired to perform. The Contract with Cameron Hastings must be terminated now, of course giving him the requisite notice indicated in his contract.

VI - FINANCE COMMITTEE IS RESPONSIBLE FOR EVERYTHING REGARDING MONEY

Governance officials, statutes, and previous cases indicate no basis for having decisions about the College's finances made by the governance committee instead of the finance committee. The finance committee needs to be consulted and needs to chair decisions when any college board finance is involved. In regard to the Governance Committee, the main responsibility lies in setting policy and procedures for the Board to follow. Financial matters have no bearing on policy and procedures.

X. OTHER ITEMS

- a. Payable Board Expenses: I have asked the CFO to temporarily withhold the sending of any reimbursable expenses submitted by the board until they have been vetted by the CFO and those who submitted them, as well as myself being legal counsel for the college.
- b. Title IX Complaint: On a recent call with the board chair, he said he called about a Title IX complaint yet would not tell me any information about it. Being hired to protect the college, and having vast knowledge in Title IX cases, it is imperative that I receive the complaint, and assess the legal threat to the college, as well as the handling of the case to date. If I do not receive the written complaint, as well as any board thoughts around the situation, I will pursue acquiring a copy of the complaint myself to review and take action on, whether it be employees of the college, or board members.
- c. As a reminder, any and all Board Meetings, whether committee or full board meetings, will include myself and the President, with the understanding that it is everyone's commitment to function as a unit for the betterment of Life Chiropractic College West.
- d. If there are any communications that any board member feel violates the fiduciary responsibility of the board, please send them to me at your discretion. Unless an egregious breach of duty has been made, these communications will be held in strict confidence. The main reason for the asking of these communications is to help the board understand what is right, wrong, legally defensible, and to allow the board to see proper governance actions. There may be some on the board who see nothing wrong with current and previous board actions, as well as some that feel things are not right, while others may be questioning right and wrong. My hope is that these communications will help clear up any confusion so we can all operate with the utmost of integrity and set the example for all chiropractic colleges and the profession.

In closing, it is everyone's responsibility to act prudently as board members, and to act responsibly and reasonably when it comes to spending college funds. We must all look through the lens of the attorney general regarding board operations, and with proper governance training we can all do our duties as board members and allow the college to do its work without incumbrance or micromanagement.

Attached are articles and court papers showing what occurs if board members are not compliant with the Law. I trust that you will arrange for a meeting with myself whereby all these issues will be addressed.

Thank you, and I look forward to hearing the notification of the next meeting.

Sincerely,

Joel H. Siegal
Attorney at Law