
From: Michael Wynne <mwynne@gcfirm.com>
To: McCarty, Darren; Mateer, Jeff
Sent: 9/28/2020 1:46:48 PM
Subject: FW: Mitte Foundation
Attachments: 20-072020 Defendants' Objection to Liquidation with Exhibits.pdf; 2020.07.20 SM Obj to Plan.pdf

Darren and Jeff,

I am forwarding you the message I sent you on July 20, 2020 regarding the serious misconduct that I have seen with the Mitte Foundation. I did not receive a reply from you on this original email.

Their conduct has gotten increasingly more problematic over the last 2+ months since I sent you this email. Further, the significant conflict of interest of the OAG employing Gregory Milligan's wife, Layla Milligan, was unknown to us at the time of my email below. Please confirm receipt and let me know when you are available to discuss today. Thanks.

Best,

Michael

From: Michael Wynne
Sent: Monday, July 20, 2020 11:41 PM
To: Darren.McCarty@oag.texas.gov
Subject: Mitte Foundation

Darren:

I appreciate your participation in the mediation last Friday. In anticipation of the upcoming hearings, I hope you don't mind my taking the liberty to bring to your attention the areas where I have seen the Mitte Foundation through its board members and officers, fall short of their fiduciary obligation to appropriately steward charitable funds:

1. **Aiding and Abetting the Waste of Foundation Assets Through a Contingency Fee Arrangement with a Receiver** (funds that would otherwise be available to the Foundation as Minority Partner) – Mitte board has agreed to compensation terms for Gregory Milligan, Stephen Lemmon, and potentially others, that result in excessive payment of charitable funds to private individuals (excess benefit transactions);
2. **Sponsorship and Ratification of Frivolous Litigation and Legally Unavailable Remedies** – as is clear in the appellate proceedings between the parties, the remedy being pursued by Mitte is not available to them as a matter of law, and will only result in continued significant legal expense;
3. **Payment of Excessive Attorney's Fees** in pursuit of the above and failure to monitor activities of counsel acting on behalf of the Foundation;
4. **Failure to steward charitable funds by not accepting court-determined FMV buyout of their interests**, which is the ultimate relief they seek in the underlying litigation – an acceptance of this offer would provide Mitte the ultimate relief it seeks and completely defray further legal expense - as a courtesy, I have attached the Super Majority's opposition to the liquidation plan, which sets forth alternative remedies available to Mitte, as well as the Partnership's opposition to the Plan (showing that the liquidation Mitte seeks is not available as a matter of law);
5. **Knowingly breaching contractual obligations**, including but not limited to those contained in the underlying partnership agreements, thereby subjecting the Foundation to significant ongoing legal liability (into the tens of millions of dollars) and related attorney's fees

In short summary, the Foundation is currently being led by a Board of Directors, officers and counsel, who are knowingly gambling charitable funds speculating on an aggressive and expensive, but ultimately unsound, litigation strategy. As it is within the powers of the OAG's Charitable Trusts Division to investigate and initiate legal action against charitable organizations and their managerial officials to ensure that charitable donations assets held by the charitable organization are properly managed, invested, and expended, I hope this is helpful as you consider the seriousness of these issues as they relate to the need to protect the public interest in charity.

Regards,
Michael

Michael J. Wynne

Gregor | Wynne | Arney, PLLC

Two Houston Center
909 Fannin, Suite 3800
Houston, Texas 77010

(713) 331- 2458 – Direct
(281) 450-7403 – Cell
(832) 390-2655 – Fax
mwynne@gcfirm.com

michael@michaeljwynne.com

Confidentiality Notice:

This electronic transmission (and/or the documents accompanying it) may contain confidential information belonging to the sender which is protected by the attorney-client privilege. This information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for the destruction and/or return of the documents.