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April 22, 2002

Via Hand Delivery

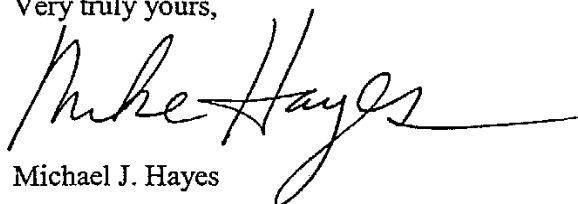
Honorable Sophia H. Hall
Judge, Chancery Division
Circuit Court of Cook County
2301 Richard J. Daley Center
Chicago, Illinois 60602

Re: E. Kwan Choi v. K. Richard Keeler, et al, Case No. 02 CH 4053

Dear Judge Hall:

Enclosed please find courtesy copies of Defendants' Response to Plaintiff's Affidavit in Support of Motion for Temporary Restraining Order and Motion to Strike. This matter is set for oral argument on Wednesday, April 24, 2002 at 10:30 a.m.

Very truly yours,



Michael J. Hayes

MJH/jmb

Enclosures

CH01/12219685.1

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

E. Kwan Choi, individually and on behalf)
of Urantia Foundation, Urantia Corporation,)
Urantia Brotherhood Association, Andite)
Corporation, and Amadon Corporation,)

Plaintiff,)

v.)

K. Richard Keeler, Georges)
Michelson-Dupont, Mo Siegel, Gard)
Jameson, and James Ryan, not individually)
but as Illinois Attorney General,)

Defendants.)

No. 02 CH 4053

Judge Sophia Hall

NOTICE OF FILING

TO: See Attached Certificate of Service

PLEASE TAKE NOTICE that on Tuesday, April 2, 2001, we filed with the Clerk of the Circuit Court of Cook County, Illinois, County Department, Law Division, the attached **Defendants' Response to Plaintiff's Affidavit in Support of Motion for Temporary Restraining Order and Motion to Strike**, a copy of which is hereby served upon you.

**DEFENDANTS K. RICHARD KEELER,
GEORGES MICHELSON-DUPONT,
MO SIEGEL, AND GARD JAMESON**

By: Wallace C. Solberg
One of their Attorneys

Michael J. Hayes, Esq.
Gordon B. Nash, Jr.
S. Patrick McKey, Esq.
Wallace C. Solberg, Esq.
GARDNER, CARTON & DOUGLAS
321 North Clark Street - Suite 3400
Chicago, Illinois 60610
(312) 644-3000

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

E. KWAN CHOI, individually and on behalf of)
URANTIA FOUNDATION, URANTIA)
CORPORATION, URANTIA BROTHERHOOD)
ASSOCIATION, and ANDITE CORPORATION,)

Plaintiff,)

v.)

K. RICHARD KEELER, GEORGES)
MICHELSON-DUPONT, MO SIEGEL, GARD)
JAMESON, AND JAMES RYAN, not individually)
But as Illinois Attorney General,)

Defendants.)

Case No. 02 CH 4053

Judge Sofia Hall

DEFENDANTS' RESPONSE TO PLAINTIFF'S AFFIDAVIT
IN SUPPORT OF MOTION FOR TEMPORARY
RESTRAINING ORDER AND MOTION TO STRIKE

NOW COME Defendants K. RICHARD KEELER, GEORGES MICHELSON-DUPONT, MO SIEGEL, and GARD JAMESON (collectively, the "Controlling Trustees" or "Defendants"), by their attorneys, Gardner, Carton & Douglas, and submit this Response to Plaintiff's Affidavit in Support of Temporary Restraining Order ("Affidavit") and Motion to Strike.¹

I. INTRODUCTION

On April 17, 2001, Plaintiff appeared before this Court on his Motion for Declaratory Judgment and Preliminary Injunctive Relief ("Motion"). Prior to his appearance, Plaintiff served on Defendants at approximately 1:48 a.m. an affidavit essentially repeating the allegations

¹ Citations to Plaintiff's Affidavit shall be "Plt.'s Aff. at ¶ ____." Citations to the Affidavits of Kenneth Richard Keeler, Mo Siegel, Frank Gard Jameson, Tonia Baney and Marcia Lansu shall be

contained in his Complaint (“April 17 Affidavit”). Recognizing that his Complaint was legally defective, Plaintiff requested and received leave to file an amended complaint. Plaintiff did not do so. Instead, Plaintiff filed yet another Affidavit (“April 19 Affidavit”), which on the one hand simply repeats the same false allegations contained in Plaintiff’s Complaint and Motion and, on the other hand, set forth a laundry list of additional “facts” not contained in his Complaint.

Based on Plaintiff’s April 17 Affidavit, his April 19 Affidavit, and all of the papers filed by Plaintiff, it is clear that Plaintiff has not and cannot overcome the express and unambiguous language of the Declaration of Trust (“Declaration”) creating the Urantia Foundation (“Foundation”). The Declaration provides that an individual Trustee may be removed “for *any reason* by a unanimous vote of the remaining Trustees.” (Declaration, Section 7.5) (emphasis added).² Accordingly, the lynchpin of Plaintiff’s claim, that no grounds exist to remove him, is legally (and factually) unsupportable. Cognizant of this insurmountable legal obstacle, Plaintiff has instead set forth patently false allegations of financial wrongdoing by the Controlling Trustees in his April 19 Affidavit and Complaint in an absurd claim that his removal was somehow related to Plaintiff’s sudden desire to “investigate” this imagined wrongdoing. Plaintiff has further impermissibly set forth an avalanche of new allegations in his April 19 Affidavit wholly irrelevant to his removal as Trustee in an effort to distract the Court from the sole issue in this case – the removal of Plaintiff as a Trustee. (See April 19 Affidavit at ¶10).

As demonstrated below, Plaintiff’s claims of financial wrongdoing are factually unsupportable and reveal that Plaintiff has failed to review the extensive financial information

“Keeler Aff. at ¶___”; Siegel Aff. at ¶___”; Jameson Aff. at ¶___”; “Baney Aff. at ¶___”; and “Lansu Aff. at ¶___,” and are attached hereto as Exhibits 2, 3, 4, 5, and 6, respectively.

² Thus, while the Defendants had many good reasons to remove Plaintiff as a Trustee, *see* Defendants’ Verified Answer and Affirmative Defenses at ¶34, removal for “any reason” is all that the Declaration requires.

provided to him during the time he served as a Trustee of the Foundation. The type of financial review that Plaintiff claims that only he can accomplish has always been and is currently being done on a regular basis by the Foundation, the Foundation's auditors and, now, the Illinois Attorney General's Office. Indeed, the Foundation has forwarded Plaintiff's misguided claims of financial wrongdoing to the Charitable Trust Bureau of the Illinois Attorney General's Office. Quite simply, the irrelevant assertions and innuendo contained in Plaintiff's April 19 Affidavit are no substitute for the factual allegations lacking in his Complaint. As Defendants have demonstrated in their Motion for Judgment on the Pleadings and Opposition to Plaintiff's Motion for Declaratory Judgment and Injunctive Relief, Plaintiff simply has no likelihood of success on the merits nor does he have a protectible interest in being reinstated as a Trustee of the Foundation. Plaintiff's April 19 Affidavit, which bombards the Court with a laundry list of irrelevant allegations not contained in Plaintiff's Complaint, is procedurally improper and cannot save Plaintiff's legally defective and factually deficient Complaint and request for injunctive relief.

II. ARGUMENT

A. Plaintiff's Affidavit Is Improper And Should Be Stricken

In the Order entered by this Court on April 17, 2002, Plaintiff was given until Friday, April 19, 2002 to serve an Amended Complaint. (A copy of the Order is attached hereto as Exhibit 1). Plaintiff did not do so. Instead, Plaintiff served yet another affidavit, the April 19 Affidavit, wherein Plaintiff simply repeats the same false assertions from his Verified Complaint and his April 17 Affidavit and impermissibly sets forth a laundry list of irrelevant allegations not contained in his Complaint. (*See* April 19 Affidavit at ¶10). These allegations contain Plaintiff's

“free association” thoughts, speculations and concerns regarding various purported occurrences on the Board of Trustees.

The allegations in Plaintiff’s April 19 Affidavit are not part of his Complaint and are wholly irrelevant to the matter before this Court -- Plaintiff’s legally defective challenge to his removal as a Trustee of the Foundation. If Plaintiff had wanted to file an amended complaint, he should have done so. Instead, flouting the Court’s Order granting him leave to file an amended complaint, Plaintiff simply and impermissibly dumped irrelevant and unsupported allegations into yet another Affidavit. Thus, the only Complaint pending before the Court is the legally defective Complaint that is the subject of Defendants’ Motion for Judgment on the Pleadings. Plaintiff’s April 19 Affidavit cannot serve as an amendment to that Complaint. Accordingly, Plaintiff’s April 19 Affidavit should be stricken.

B. Plaintiff’s Unsupported Allegations Regarding Financial Wrongdoing Do Not Support the Requested Relief

In response to the unfettered discretion of the Controlling Trustees to remove a Trustee for any reason, Plaintiff has erected a “Strawman” argument. The Strawman is that the Controlling Trustees have engaged in financial wrongdoing. Plaintiff tears the Strawman down by claiming that he was removed as a Trustee because he wanted to “investigate” this purported financial wrongdoing, which Plaintiff asserts has been going on since April of 1998. The problem with Plaintiff’s argument, however, are the facts regarding financial oversight of the Foundation, as set forth below:

- Before each of the quarterly meetings of the Board of Trustees of the Foundation (“Board”), the Financial Manager of the Foundation, Marcia Lansu, a Certified Public Accountant (“CPA”), and Tonia Baney, Executive Director of the Foundation, generate a profit and loss report for the last quarter, a balance sheet, revenue and expense information, assets and liabilities, and budgets. This financial information is then examined prior to the quarterly Trustee meeting by the Treasurer of the Board of Trustees, Frank Gard Jameson, Jr., also a

CPA. At that time, the report is analyzed and may be adjusted if necessary. Mr. Jameson, with the assistance of Ms. Baney and Ms. Lansu, present and provide the financial information to each of the Trustees. Each financial statement is compared monthly and yearly to the last year and to the current year's budget to ascertain the Foundation's financial status. The financials are approved, with or without changes and the Board proceeds with other Foundation business. (Jameson Aff. at ¶3; Baney Aff. at ¶¶3, 4; Lansu Aff. at ¶2).³

- The financial records of the Foundation are audited on a yearly basis by Altschuler, Melvin & Glasser LLP (AMG). Federal and state tax returns are also prepared by AMG. Prior to 1999, the Foundation contracted with Arthur Anderson to perform its annual audit and prepare tax returns. (Jameson Aff. at ¶4; Lansu Aff. at ¶3).
- The Foundation maintains a working relationship with The Northern Trust Company, its investment manager, including meetings with the Trustees at least on an annual basis to review fund investment and management. Additional meetings are scheduled as required. (Jameson Aff. at ¶4; Baney Aff. at ¶5; Lansu Aff. at ¶4).
- The Foundation has an endowment called the Perpetual Printing Fund. The Perpetual Printing Fund has existed since the 1980's. This fund was set up to reprint the English Urantia Book. The Foundation's auditors cited above audit the Perpetual Printing Fund endowment, and other restricted funds, on an annual basis. The Foundation has always received a clean audit report. (Baney Aff. at ¶6).
- The Foundation's Internal Revenue Service tax returns and other financial information are posted on GuideStar (A National Database of Non-Profit Organizations). Copies of Foundation tax returns are sent upon request. (Jameson Aff. at ¶4; Baney Aff. at ¶9).
- Tonia Baney, Executive Director of the Foundation, Sheila M. Schneider, Assistant to the Executive Director, and Marcia Lansu are the only individuals with authority to write checks and further, each check written for the Foundation requires two signatures. (Baney Aff. at ¶9; Lansu Aff. at ¶5).
- Financial reports are submitted to the Illinois Attorney General's Office in accordance with the Illinois Charitable Trust Act, 760 ILCS § 55/1 *et seq.* (Jameson Aff. at ¶3).

As is readily apparent, Plaintiff's wild and unsupportable accusations regarding purported financial wrongdoing by the Controlling Trustees, and his claim that he did not receive financial information, are simply wrong and are nothing more than an attempt by the Plaintiff to conceal the complete lack of merit in his pleadings. Further, Plaintiff's failed attempts to smear the Foundation and Defendants do not constitute a cognizable basis for the relief requested because,

³ In this regard, Plaintiff admits that he received a financial statement for the quarterly meeting in

as noted, a Trustee can be removed for *any reason*. Declaration, 7.5. Finally, it is the responsibility of the Illinois Attorney General to investigate allegations of wrong doing by charitable institutions in Illinois; it is not the responsibility of the Plaintiff to do so. In fact, the Controlling Trustees have authorized the General Counsel of the Foundation, Quin Frazer, to meet with and advise the Illinois Attorney General's Office Charitable Trust Bureau Chief Floyd Perkins regarding Plaintiff's complaints regarding the financial management of the Foundation and the removal process of the Foundation, and he has done so. (Keeler Aff. at ¶9). As is evidenced by the Illinois Attorney General's presence in this litigation, the Attorney General's Office has and continues to adequately and responsibly address those responsibilities.

C. **Plaintiff's Had Notice Of The Agenda Of The September 7, 2001 Meeting As Is Evidenced by His September 4, 2001 To Trustee Richard Keeler**

Plaintiff in his April 19 Affidavit claims that he was "surprised" when he was asked to resign and that he had received no notice of the agenda for the September 7, 2001 telephone meeting wherein the Controlling Trustees unanimously voted to remove Plaintiff as Trustee. (April 19 Affidavit at ¶14). Plaintiff's assertion is false.

On August 31, 2001, Trustee Mo Siegel, Secretary of the Foundation, mailed to *all* of the then serving Trustees, including Plaintiff, notice of a meeting set for September 7, 2001, the agenda of which was to ask Plaintiff to resign as Trustee and, if he refused, to remove Plaintiff as a Trustee. (See Siegel Aff. at ¶¶2, 3). (A copy of the Agenda sent to all Trustees is attached to the Siegel Affidavit as Exhibit A.) Thereafter, Trustee Keeler, the President of the Foundation, also sent an e-mail to all then serving Trustees, including Plaintiff, on September 2, 2001, reminding them of the September 7, 2001 meeting. (Keeler Aff. ¶5).

the fall of 2000. (See April 19 Affidavit at ¶9(e).)

On September 4, 2001, Plaintiff responded to Keeler's September 2 e-mail, challenging the notice for the September 7, 2001 meeting, stating, among other things, the following:

Besides, *the supposed purpose of this meeting to remove a Trustee* requires that this be done in accordance with Article 7.5 of the Declaration of Trust and Section 7.4 (Removal of Trustee) of the By-Laws. Removal of Trustees requires a Regular Quarterly Meeting, and may not even be started in a special meeting. I will send you a follow up e-mail concerning this. Kwan

(See Keeler Aff. at Exhibit C, E-mail from E. Kwan Choi to K. Richard Keeler, dated September 4, 2001).

As Plaintiff's own words make unmistakably clear, Plaintiff's assertion that he was unaware of the purpose of the September 7, 2001 meeting and that he was "surprised" when he was asked to resign at that meeting is false. In fact, Plaintiff acknowledged, in writing, the purpose of the September 7 meeting prior to the meeting's occurrence, and promised to "follow up" on that very purpose. *Id.* Plaintiff's revisionist history regarding the September 7, 2001 meeting, like his false statements regarding purported financial wrongdoing and that he was not provided access to financial information when a Trustee, do not support Plaintiff's request for equitable relief from this Court.

III. CONCLUSION

WHEREFORE, the Defendants K. Richard Keeler, Georges Michelson-Dupont, Mo Siegel, and Gard Jameson respectfully request that this Honorable Court deny the relief requested in Plaintiff's Complaint and in his Motion for Declaratory Judgment and Preliminary Injunctive Relief and dismissing the Plaintiff's action in its entirety, and that the Court further enter an order awarding the Defendants' any and all costs and fees associated with defending this claim and for such other and further relief that this Court deems just and proper.

**DEFENDANTS K. RICHARD KEELER,
GEORGES MICHELSON-DUPONT,
MO SIEGEL, AND GARD JAMESON**

By: Wallace C. Solberg
One of their Attorneys

Michael J. Hayes
Gordon B. Nash, Jr.
S. Patrick McKey
Wallace C. Solberg
GARDNER, CARTON & DOUGLAS
321 North Clark Street - Suite 3400
Chicago, Illinois 60610
(312) 644-3000
CH02/22184612.3

CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that he caused a copy of the foregoing **Defendants' Response to Plaintiff's Affidavit in Support of Motion for Temporary Restraining Order and Motion to Strike** to be served on the following this 22nd day of April, 2002:

Floyd D. Perkins, Esq.
Assistant Attorney General and Bureau Chief
Charitable Trusts Bureau
Office of the Illinois Attorney General
100 W. Randolph Street, Third Floor
Chicago, Illinois 60601
(via Messenger)

James K. Kenny
Michael D. Poulos, P.C.
1724 Sherman Avenue
Evanston, Illinois 60201
(via Electronic Delivery and next day
overnight delivery)

Wallace C. Solberg
Wallace C. Solberg

ORDER

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

1 of 2

Choi

v.

Keeler

No. 02 CH 4053

ORDER

This matter coming before the Court on Plaintiff's motion for Declaratory Judgment and Preliminary Injunction, and the Court being duly advised in the matter

It is hereby ordered:

- ① That this matter is set for hearing on Plaintiff's motion for Temporary Restraining Order on April 24, 2002 at 10:30 a.m.
- ② That Defendants ~~shall~~ ^{have agreed not to} ~~file~~ ^{file} a Certificate of Removal of Trustee with the Recorder's Office prior to May 1, 2002.
- ③ Plaintiffs are given leave to ~~file~~ ^{serve} an amended complaint by April 19, 2002 and thereafter ~~file~~ ^{file} as the amended complaint by 4:00 p.m.

Atty. No. : 90304

Name : W Solberg

Atty. for : Defendants

Address : 301 W. Clark St

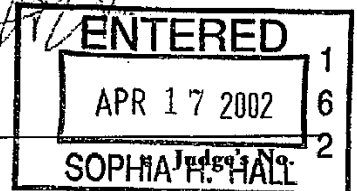
City/State/Zip : Chicago IL 60604

Telephone : 312 245 8752

ENTER :

Judge

Solberg



DOROTHY BROWN, CLERK OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

ORDER

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

Choi

v.

Kester

No. 02 CH 4063

ORDER

- ④ Plaintiffs shall ~~file~~ ^{serve} any additional affidavits by April 19, 2002 and serve upon Defendants by 4:00 p.m. and file thereafter
- ⑤ Defendants shall file any additional affidavits by April 22, 2002 and serve upon Plaintiffs by 4:00 p.m.
- ⑥ Plaintiff's motion for a preliminary injunction shall be deemed plaintiff's motion for a temporary restraining order.

Atty. No.: 90304

Name: W Solbery

Atty. for: Defendants

Address: 321 N Clark St

City/State/Zip: Chicago IL 60610

Telephone: 312 245 8752

ENTER:

Judge

Judge's No.

ENTERED	
APR 17 2002	6
SOPHIA H. HALL	2

DOROTHY BROWN, CLERK OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

E. Kwan Choi, individually and on behalf)
of Urantia Foundation, Urantia Corporation,)
Urantia Brotherhood Association, Andite)
Corporation, and Amadon Corporation,)

No. 02 CH 4053

Plaintiff,)

v.)

Judge Sophia Hall

K. Richard Keeler, Georges)
Michelson-Dupont, Mo Siegel, Gard)
Jameson, and James Ryan, not individually)
but as Illinois Attorney General,)

Defendants.)

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

AFFIDAVIT

I, Kenneth Richard Keeler, being duly sworn upon oath deposes and states as follows:

1. I live in Evanston, Wyoming. I am an investment advisor specializing in commodity futures. I have a Bachelors Degree in Philosophy from Kansas University and a Masters Degree in Business Administration from New York University.

2. I became a Trustee of Urantia Foundation ("Foundation") on July 15, 1989. I served as Treasurer of the Foundation from April of 1990 until April 18, 1998. I have served as President of the Foundation since December 7, 1997.

3. While serving on the Board of Trustees ("Board"), I participated in the removal of Trustee Martin W. Myers. Therefore, I am familiar with the removal process described in the

Declaration of Trust Creating Urantia Foundation, which provides that “[a]ny Trustee may be removed for any reason by a unanimous of the remaining Trustees.” See Declaration of Trust, Article 7.5. The process followed by the current Board of Trustees in removing E. Kwan Choi as a Trustee and thereby suspending him as an active Trustee is identical to the process followed by the prior Board of Trustees (of which I was a member) in removing Martin W. Myers as a Trustee.

4. In order to inform E. Kwan Choi of the Board’s decision to begin the removal process, the Foundation’s Secretary, Mo Siegel, in conformance with the By-Laws, mailed to all the Trustees the agenda of the September 7, 2001 telephone conference. There were two agenda items: (1) “To request that E. Kwan Choi resign his position as a Trustee of the Urantia Foundation”, and (2) “To initiate the removal procedure if E. Kwan Choi chose not to resign.” (A copy of the Agenda sent to me, and the envelope it was sent in, are attached hereto as Exhibit A).

5. On September 1, 2001, I received the notification from Secretary Mo Siegel’s office regarding the September 7, 2001 meeting and agenda. (See Exhibit A). On September 2, 2002, I sent an e-mail to all of the other Trustees reminding them of the September 7, 2002 meeting. (A copy the e-mail sent on September 2, 2001 is attached hereto as Exhibit B).

6. I received an e-mail back from E. Kwan Choi on September 4, 2002, stating that the September 7, 2001 telephone conference was not legal, and that he would not consent to it. (A copy of the Reply E-Mail sent from Mr. Choi to Mr. Keeler on September 4, 2002 is attached hereto by Exhibit C.) Based on the fact that notice was mailed as provided in the By-Laws, the meeting was held as scheduled in the notice on September 7, 2001. E. Kwan Choi joined us at

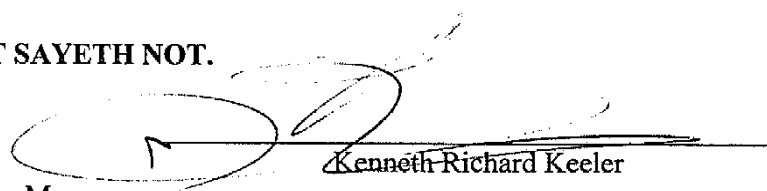
the beginning of the call and informed us that he did not believe this was a legal meeting and hung up the telephone. A unanimous vote was then taken to begin the removal process of E. Kwan Choi by the remaining members of the Board of Trustees of the Foundation by voting to remove him as a Trustee, thereby suspending him as an active Trustee.

7. Taking the Bylaws into consideration, specifically Section 2.4, the current Board of Trustee has taken three unanimous votes, the first vote at the quarterly meeting on November 10, 2001, the second vote at the quarterly meeting on January 19, 2002, and the third vote at the quarterly meeting on April 20, 2002.

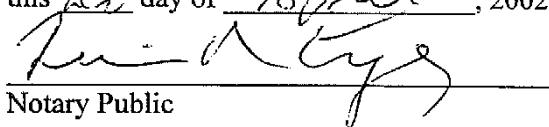
8. The Certificate of Removal of Trustee For E. Kwan Choi was executed by the four remaining Trustees on April 20, 2002.

9. The Controlling Trustees authorized the General Counsel of the Foundation, Quin Frazer, to meet with and advise the Illinois Attorney General's Office Charitable Trust Bureau Chief Floyd Perkins regarding E. Kwan Choi's complaints regarding the financial management of the Foundation and the removal process of the Foundation. It is my understanding that Mr. Frazer has done so.

FURTHER AFFIANT SAYETH NOT.


Kenneth Richard Keeler

Subscribed and Sworn to Before Me
this 23rd day of April, 2002.


Notary Public



CH02/22184515.3

**URANTIA FOUNDATION
TRUSTEES MEETING
TELECONFERENCE**

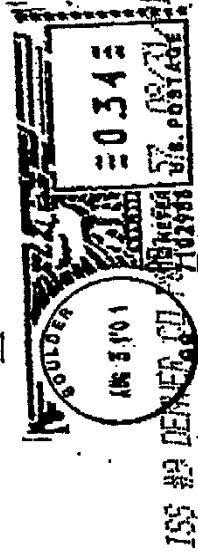
**Friday, September 7, 2001
8:00 a.m. CDT (Chicago Time)**

AGENDA

1. To ask Kwan Choi to resign.
2. To initiate the Removal Procedure if Kwan Choi refuses to resign.



Mo Siegel
4600 Sleepytime Drive
Boulder, CO 80301

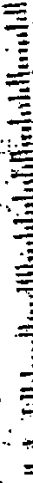


Mr. Richard Keeler

P. O. Box 980

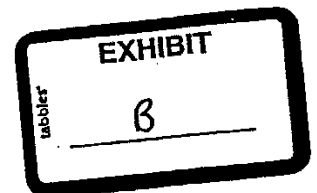
Evanston, WY 82931-0980

8293140980 10



Trustees, 07:49 PM 9/2/2001 +0000, Please remember the Trustee teleconference

To: Trustees
From: Richard Keeler <rkeeler@allwest.net>
Subject: Please remember the Trustee teleconference on 7
September 2001, next Friday, at 8:00 a.m., CDT (Chicago time).
Cc:
Bcc: Tonia Baney
Attached:



From: "E Kwan Choi" <kchoi@iastate.edu>
To: "'Richard Keeler'" <rkeeler@allwest.net>,
<Georges.Michelson-Dupont@wanadoo.fr>,
<qardj@attglobal.net>,
<msiegel@ctea.com>,
"ChoiKwan" <kchoi@iastate.edu>
Subject: PROPER NOTICE REQUIRED RE: Please remember the Trustee teleconference
on 7 September 2001, next Friday, at 8:00 a.m., CDT (Chicago time).
Date: Tue, 4 Sep 2001 14:00:19 -0500
X-MSMail-Priority: Normal
Importance: Normal
X-MimeOLE: Produced By Microsoft MimeOLE V5.00.2919.6700
X-AntiVirus: scanned for viruses by AMaViS 0.2.1 (<http://amavis.org/>)

Dear Richard:

The call of this meeting should be done properly. Your proposed teleconference meeting should be made in accordance with the By-laws.

According to Article 3.3 Special Meetings:

Special Meetings of the Board of Trustees may be held at any time and place designated in the notice of such meeting. Notice of such meeting stating the purpose thereof shall be given not more than ten nor less than five days prior to the date thereof. Special meetings may be called by the President or by any two Trustees who shall designate the time and place and purpose of such meeting and notice of such meeting shall be issued by the Secretary promptly upon receipt of such call.

In order to have a special meeting, it is required by the By-laws that special meetings must have proper notification. It is required in the By-laws that an official notice be sent by the Secretary (not by the President) to all Trustees giving the purpose, time and place of the meeting, and who called it. By-laws stipulate a ten day maximum and five day minimum notice. Mo's letter concerning a special meeting was posted on July 24 and is now 42 days old, greater than the 10 day maximum requirement. Richard, your notice is not official, since you are not the Secretary. Further, since it is only three days left until September 7, 2001, there is not enough time to provide proper notice for a special meeting. If you check with Quin Frazer, I believe he will tell you that five days are the minimum requirement.

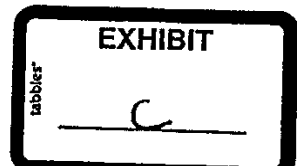
I would suggest that you reschedule the meeting properly for a new date that meets the requirements of the By-laws and properly noticed by the Secretary. In order to waive the 5-day notice requirement, it requires unanimous votes of all Trustees, and I am not waiving it.

Besides, the supposed purpose of this meeting to remove a Trustee requires that this be done in accordance with Article 7.5 of Declaration of Trust and Section 2.4 (Removal of Trustees) of the By-laws. Removal of Trustees requires a Regular Quarterly Meeting, and may not even be started in a special meeting. I will send you a follow up e-mail concerning this.

Kwan

-----Original Message-----

From: Richard Keeler [mailto:rkeeler@allwest.net]
Sent: Sunday, September 02, 2001 3:49 PM



To: Georges.Michelson-Dupont@wanadoo.fr; kchoi@iastate.edu;
gardj@attglobal.net; msiegel@ctea.com
Subject: Please remember the Trustee teleconference on 7 September 2001,
next Friday, at 8:00 a.m., CDT (Chicago time).

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

E. Kwan Choi, individually and on behalf of Urantia Foundation, Urantia Corporation, Urantia Brotherhood Association, Andite Corporation, and Amadon Corporation,

Plaintiff,

v.

K. Richard Keeler, Georges Michelson-Dupont, Mo Siegel, Gard Jameson, and James Ryan, not individually but as Illinois Attorney General,

Defendants.

No. 02 CH 4053

Judge Sophia Hall

STATE OF ILLINOIS)

ss

COUNTY OF COOK)

AFFIDAVIT

I, Mo Siegel, being duly sworn upon oath deposes and states as follows:

1. I live in Boulder, Colorado. I am the founder and CEO of Celestial Seasonings and the Vice Chairman of Hain-Celestial Group, Inc. I currently serve on the following boards listed here: Wild Oats Markets Inc., Omega Tech, Inc., and Jesusonian Foundation. I serve on or have served on the Audit Committee for Corporate Express, Inc., Boulder Community Hospital, and Wild Oats Markets, Inc. I have been a Trustee of Urantia Foundation ("Foundation") since February 1998.

2. I was voted as Secretary of the Board of Trustees ("Board") of the Foundation on June 29, 2001.

3. On August 29, 2001, I directed Sherry Dickerson, my personal assistant, to prepare an agenda document to be sent to all the other Foundation Trustees in preparation for the

telephone conference to be held on September 7, 2001. At this meeting the two agenda items were: "To request that E. Kwan Choi resign his position as a Trustee of the Urantia Foundation"; and (2) "To initiate the removal procedure if E. Kwan Choi chose not to resign." (A copy of the Agenda for the September 7, 2001 Meeting is attached hereto as Exhibit A). The agenda for the September 7, 2001 meeting was sent from my office at Hain-Celestial Group Inc., by regular mail on August 31, 2001 to all Trustees, including E. Kwan Choi. (A copy of the September 7, 2001 Agenda and Envelope sent to Kenneth Richard Keeler is attached hereto as Exhibit B).

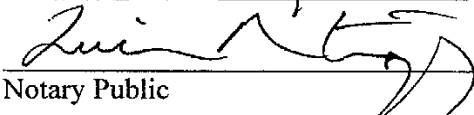
4. Based on my Audit Committee experience, and the financial procedures described in the Affidavits of Frank Gard Jameson, Jr., Tonia Baney, and Marcia Lansu, the Defendant Controlling Trustees have been responsible fiduciaries with the funds that were entrusted to the Foundation.

FURTHER AFFIANT SAYETH NOT.

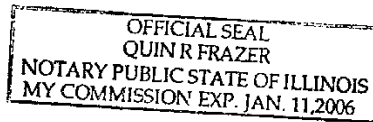


 Mo Siegel

Subscribed and Sworn to Before Me
 this 20th day of April, 2002.



 Notary Public

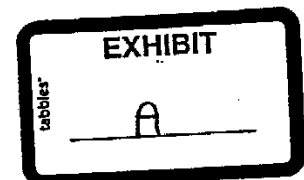


**URANTIA FOUNDATION
TRUSTEES MEETING
TELECONFERENCE**

**Friday, September 7, 2001
8:00 a.m. CDT (Chicago Time)**

AGENDA

1. To ask Kwan Choi to resign.
2. To initiate the Removal Procedure if Kwan Choi refuses to resign.

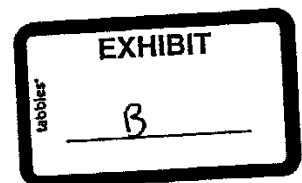


**URANTIA FOUNDATION
TRUSTEES MEETING
TELECONFERENCE**

**Friday, September 7, 2001
8:00 a.m. CDT (Chicago Time)**

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Mo Siegel
4600 Sleepytyme Drive
Boulder, CO 80301

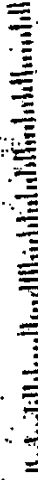


Mr. Richard Keeler

P. O. Box 980

Evanston, WY 82931-0980

8293140980 10



IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

E. Kwan Choi, individually and on behalf)
of Urantia Foundation, Urantia Corporation,)
Urantia Brotherhood Association, Andite)
Corporation, and Amadon Corporation,)

No. 02 CH 4053

Plaintiff,)

v.)

Judge Sophia Hall

K. Richard Keeler, Georges)
Michelson-Dupont, Mo Siegel, Gard)
Jameson, and James Ryan, not individually)
but as Illinois Attorney General,)

Defendants.)

STATE OF ILLINOIS)

) ss

COUNTY OF COOK)

AFFIDAVIT

I, Frank Gard Jameson, Jr., being duly sworn upon oath deposes and states as follows:

1. I live in Las Vegas, Nevada. I am a Trustee of the Urantia Foundation ("Foundation") and have been a Trustee since April of 1998. I have been the Treasurer of the Foundation since April 18, 1998. I am a Defendant in the lawsuit *Choi v. Keeler, et al.*, referenced above.

2. I am also a Certified Public Accountant, Certified Financial Planner and a Principal with the firm of Piercy, Bowler, Taylor & Kern in Las Vegas, Nevada. I have been a Certified Public Accountant since 1982. I have a Masters in Business Administration from the University of San Francisco and a Masters in Taxation from Golden Gate University. I am currently a trustee on the boards of the Nevada Community Foundation, the National Conference


for Community and Justice, the North American Interfaith Network, the Children's Advocacy Alliance and the Raymond M. Alf Museum of Life.

3. I have attended every quarterly meeting of the Foundation since becoming a trustee in April of 1998. I have assisted our Financial Officer, Marcia Lansau, and our Executive Director, Tonia Baney, in the development of financial information for presentation to the Board of Trustees ("Board"). Financial reports for the Foundation have been presented at every quarterly meeting of the Foundation that I have attended and have been distributed to all Trustees, including Mr. Choi. Those financial reports have included revenue and expense information, assets and liabilities, and budgetary information. The Board has used this financial information in making decisions regarding allocation of resources. Finally, financial reports are also submitted to the Illinois Attorney General's Office in accordance with the Illinois Charitable Trust Act, 760 ILCS § 55/7.

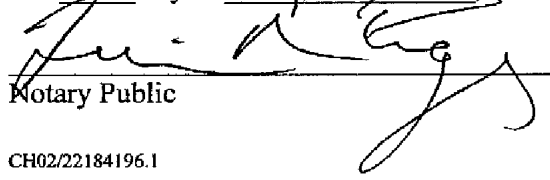
4. I have also assisted the Foundation in its dealings with its auditors, formerly Arthur Anderson, currently Altschuler, Melvin and Glasser LLP (AMG). The Board is audited on a yearly basis. In addition, the Board files on a yearly basis a tax return with the Internal Revenue Service. Additionally, I have maintained active involvement with the Foundation's investment manager, The Northern Trust, meeting with its financial consultants on a regular basis to ensure that the Foundation's endowment and investment funds are properly managed.

5. In sum, the Foundation has always been a responsible fiduciary with the funds that have been entrusted to it. The audited financial statements and the tax returns submitted to the Internal Revenue Service on a yearly basis attest to Urantia Foundation's responsible stewardship.

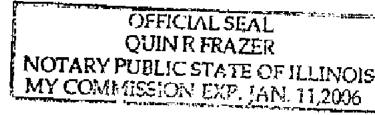
FURTHER AFFIANT SAYETH NOT.


Frank Gard Jameson, Jr.

Subscribed and Sworn to Before Me
this 25th day of April, 2002.


Notary Public

CH02/22184196.1



IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

E. Kwan Choi, individually and on behalf)
of Urantia Foundation, Urantia Corporation,)
Urantia Brotherhood Association, Andite)
Urantia Brotherhood Association,)
Corporation, and Amadon Corporation,)

No. 02 CH 4053

Plaintiff,)

v.)

Judge Sophia Hall

K. Richard Keeler, Georges)
Michelson-Dupont, Mo Siegel, Gard)
Jameson, and James Ryan, not individually)
but as Illinois Attorney General,)

Defendants.)

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

AFFIDAVIT

I, Tonia Baney, being duly sworn upon oath deposes and states as follows:

1. I am the Executive Director of Urantia Foundation ("Foundation") and have held that position since July 15, 1996.

2. Previous to my appointment as Executive Director of the Foundation, I was a volunteer for the Foundation while working as marketing manager for Alexander and Baldwin at Wailea Development (a destination resort complex) on the Island of Maui in Hawaii, as well as serving on the Boards of Maui Arts and Cultural Center, Hui No'eu Art Center, American Marketing Association – Maui, Maui United Way and Montessori School of Maui. I have had 20 years of experience with non-profit organizations.

3. The Board of Trustees of the Foundation is required to meet four times a year (quarterly meetings). Before these meetings the Financial Manager of the Foundation, Marcia Lansu, a certified public accountant, and I prepare a profit and loss report for the last quarter as well as a balance sheet. The financial information is then examined prior to the Trustee meeting by the Treasurer of the Board of Trustees, Frank Gard Jameson, Jr. At that time, the report is analyzed and may be adjusted if necessary. Mr. Jameson, with the assistance of Ms. Lansu and myself, then presents this information to the Trustees. Discussion is encouraged and minutes are taken.

4. At each quarterly meeting, each financial statement is compared monthly and yearly to the last year and to the current year's budget to ascertain the Foundation's financial status. The financials are approved, with or without changes, and we go onto other Foundation business.

5. The Foundation maintains a working relationship with The Northern Trust Company, our investment manager, including meetings with the Trustees at least on an annual basis to review fund investment and management. The Treasurer of the Foundation also arranges meetings with the Foundation's auditors and Trustees or visits the auditors himself and reports to the Trustees. Our auditors are Altshuler, Melvoin, and Glasser (AMG). Prior to AMG, our auditors were Arthur Andersen.

6. The Foundation has an endowment called the Perpetual Printing Fund. To my knowledge, the Perpetual Printing Fund has existed since the 1980's. This fund was set up to reprint the English Urantia Book. The Foundation's auditors cited above audit the Perpetual Printing Fund endowment, and other restricted funds, on an annual basis. The Foundation has always received a clean audit report.

7. Plaintiff in his Affidavit in Support of Motion for Temporary Restraining Order asserts that following a presentation by Trustee Mo Siegel during the January 2001 quarterly meeting, he became “troubled” by the accounting practices regarding the Perpetual Printing Fund. (Plt’s Aff. at ¶9(c). In particular, Plaintiff states that “the need for new accounting methods implied that the fund was without sufficient cash to ensure the ability to continue printing the book.” (*Id.*) The discussion to which Plaintiff refers addressed how to continue to perpetually fund the *new translations* of the Urantia Book. There was a discussion about the printing of the English book and how the Foundation would keep track of perpetual translation funds. I, along with Marcia Lansu and Gard Jameson reported, and the Trustees were reminded that the English Perpetual Printing Fund was being accounted through: (a) cash in the bank, (b) investments, (c) inventory of unsold books, and (d) accounts receivable from book sales. Therefore, additional new policies were needed to apply to the Perpetual Printing of the new translations. I believe it was in the context of new translations that Mr. Choi was confused and misunderstood the issues discussed at the meeting that occurred. There have been no other discussions regarding restricted funds. To my knowledge he did not participate in this discussion nor did he ask questions. The new policy, which evolved from this discussion, is called the World Perpetual Printing Fund and will be announced in the Foundation’s fall newsletter.

8. Although the Foundation is over fifty years old, it has never created a Capital or Comprehensive Fundraising Program. It has survived by asking for donations by letter twice a year. Since 1996, the Foundation has encouraged a group of long time readers to concentrate on raising funds for specific programs. These programs are on our donation card. When people donate to the Foundation, they receive a “thank you” letter, which contains a receipt and confirms which program fund they have given to. The funds are then marked with a specific chart number

and are used to pay for activities in that allocated fund. Restricted funds are released through the passing of time and the purpose for which the funds are being fulfilled. Every year we send out a letter to our donors, which tells how our money has been spent.

9. Additionally, the Foundation's Internal Revenue Service tax returns and other financial information are posted on GuideStar (A National Database of Non-Profit Organizations). Copies of our audits and tax returns are sent upon request. Having managed over \$11,000,000 dollars worth of assets for Alexander and Baldwin at Wailea Development Corporation and with over 20 years of non-profit service at the executive board level, it is my opinion and experience that Urantia Foundation's stewardship of donated funds is excellent.

10. The Foundation's financial documents, books and records are kept at the Foundation's headquarters at 533 W Diversey Pkwy., Chicago, IL 60614. Additionally, Sheila M. Schneider, Assistant to the Executive Director, Marcia Lansu, and myself are the only individuals with authority to write checks and further, each check written requires two signatures.

FURTHER AFFIANT SAYETH NOT.

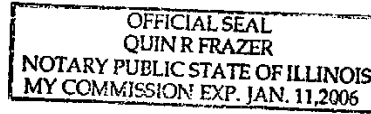
Tonia Baney

Tonia Baney

Subscribed and Sworn to Before Me
this 21st day of April, 2002.

Quin R Frazer

Notary Public



CH02/22184369.2
04/19/02

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

E. Kwan Choi, individually and on behalf)
of Urantia Foundation, Urantia Corporation,)
Urantia Brotherhood Association, Andite)
Corporation, and Amadon Corporation,)

Plaintiff,)

v.)

K. Richard Keeler, Georges)
Michelson-Dupont, Mo Siegel, Gard)
Jameson, and James Ryan, not individually)
but as Illinois Attorney General,)

Defendants.)

No. 02 CH 4053

Judge Sophia Hall

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

AFFIDAVIT

I, Marcia Lansu, being duly sworn upon oath deposes and states as follows:

1. I am a Certified Public Accountant and the Finance Manager of Urantia Foundation ("Foundation"). I have a Bachelors Degree in Business Administration, with a major in accounting, from Loyola University of Chicago. I have extensive not-for-profit experience in both the public and private sector. Prior to joining the Foundation, I was employed as the Director of Finance for the American Student Dental Association, an affiliate of the American Dental Association. I have served on not-for-profit boards as both a member and officer. Additionally, while in public accounting, I audited not-for-profit organizations.

2. I began working for the Foundation in January 1999. I have attended the financial portion of every Trustee meeting since being employed. At each of these meetings, I have

provided both written and verbal financial reports for management purposes to Tonia Baney, Executive Director of the Foundation, and to all of the Trustees. This information includes revenue and expense information, assets and liabilities, and budgets. In these efforts, I have worked extensively with Frank Gard Jameson, Jr., Treasurer of the Foundation, and Tonia Baney, in the development and presentation of this information to the Trustees, as well as maintaining and applying the accounting standards necessary for not-for-profit organizations.

3. The financial records of the Foundation are audited on a yearly basis by Altschuler, Melvin and Glasser LLP (AMG). Federal and state tax returns are also prepared by AMG. I prepare necessary client worksheets for the annual audit. Prior to 1999, the Foundation contracted with Arthur Anderson to perform its annual audit and prepare tax returns.

4. The Foundation maintains a working relationship with The Northern Trust Company, our investment manager, including meetings with the Trustees at least on an annual basis to review fund investment and management. Additional meetings are scheduled as required.

5. The Foundation's financial documents, books and records are kept at the Foundation's headquarters at 533 W Diversey Pkwy., Chicago, IL 60614. Additionally, Tonia Baney, Executive Director of the Foundation, Sheila M. Schneider, Assistant to the Executive Director, and myself are the only individuals with authority to write checks and further, each check written for the Foundation requires two signatures.

FURTHER AFFIANT SAYETH NOT.

Marcia Lansu

Marcia Lansu

Subscribed and Sworn to Before Me
this 22 day of APRIL, 2002.

Sheila M. Schneider
Notary Public



CH02/22184238.1