

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF TRUSTEES OF THE
UNIVERSITY OF LOUISVILLE

August 2, 2021

In Open Session

Members of the University of Louisville Board of Trustees met at the Student Activities Center Ballroom, Belknap Campus, both in-person and virtually at 9:07 a.m., with members present and absent as follows:

Present: Ms. Mary Nixon, Chair
Mr. Scott Brinkman
Dr. Raymond Burse
Mr. John Chilton
Mr. Al Cornish
Ms. Ugonna Okorie
Ms. Diane Porter
Mr. James Rogers
Mr. John Smith
Ms. Sherrill Zimmerman

Absent: Mr. Jerry Abramson
Ms. Diane Medley
Prof. David Schultz

From the
University: Dr. Neeli Bendapudi, President
Dr. Lori Gonzalez, Executive Vice President and University Provost
Ms. Angela Curry, General Counsel and Vice President for Legal Affairs
Dr. Michael Wade Smith, Vice President for External Affairs and Chief of Staff
Mr. John Karman, Executive Director of Communications
Mr. Jake Beamer, Dir. of Governance & Strategic Initiatives & Asst. Secretary

From UofL
Foundation: Mr. Keith Sherman, Executive Director and COO
Mr. Earl Reed, Chair
Mr. David Anderson, Director
Mr. Jim Boone, Director
Mr. Ernest Brooks, Director
Ms. Jessica Cole, Director
Ms. Jill Force, Director
Mr. David Krebs, Director
Mr. Mark Nickel, Director
Mr. Ken Payne, Director

Mr. Franklin Jelsma, ULF Counsel

Others: Ms. Barbara Edelman, Dinsmore
Mr. Grahamn Morgan, Dinsmore

I. Call to Order

Chair Nixon called the roll. Having determined a quorum present, she called the meeting to order at 9:07 a.m.

Conflict of Interest Affirmation

The Chair reminded all members of the board of their responsibility to avoid conflicts of interest and appearances of conflicts of interest. She stated each member has received the agenda and related information for this Board of Trustees' meeting.

Chair Nixon requested if any board member knows of any conflict of interest or appearance of conflict of interest with respect to any matter coming before the Board of Trustees at this meeting, to please identify the conflict or appearance of conflict at this time.

No conflicts were identified.

Approval of Minutes, 7-15-2021

Dr. Burse made a motion, which Mr. Chilton seconded, to approve the minutes of July 15, 2021 meeting.

The motion passed.

II. Executive Session

Mr. Rogers made a motion, which Mr. Smith seconded, to recess to executive session to discuss proposed or pending litigation pursuant to KRS 61.810(1)(c).

The motion passed and the open meeting recessed at 9:09 a.m.

III. Open Meeting Reconvenes

The open meeting reconvened at 9:42 a.m. Chair Nixon reported the trustees discussed proposed or pending litigation pursuant to KRS 61.810(1)(c). The board then took the following action:

Dr. Burse made a motion, which Mr. Rogers seconded, to approve the

The President of UofL's and the Executive Director of the Foundation's recommendation that the Board of Trustees and the Foundation Board of Directors approve the January 29, 2021 settlement reached on the following terms, which are set forth in the Jefferson Circuit Court's July 29, 2021 Opinion and Order:

- **The terms of the settlement agreement will remain confidential until final Board approval.**
- **The University and the Foundation accept \$800,000 as full payment of the settlement, which funds shall be paid to the Foundation.**
- **The University and the Foundation shall not be obligated to pay the Defendants' legal costs and fees.**
- **Funds previously held in escrow shall be transferred as follows:**
 - **\$55,658 held in escrow for James Ramsey will be transferred to Fern Creek Alumni Scholarship Fund & the Ramsey Family Scholarship Fund (Account No. E1894)**
 - **\$17,974 held in escrow for Kathleen Smith will be transferred to Pfeiffer-Filiatreau Book Fund (Account No. E1864)**
- **Tuition remission will be provided for Mark E. Smith if Mr. Smith enrolls in any University master's or MBA program within three years of the January 29, 2021 settlement date.**
- **The Parties to the litigation will give and receive full and complete releases to and from each other, which shall include the Defendants' release of claims against the University and the Foundation for defense cost reimbursement.**
- **All pending claims, counterclaims, proceedings, and causes of action related to this matter shall be dismissed with prejudice.**
- **Neither the University nor the Foundation shall have any obligation to defend or indemnify Ramsey/Smith from any action related to the Internal Revenue Service.**

Furthermore, the Board of Trustees and Board of Directors authorizes their respective attorneys and General Counsels to finalize the settlement in accordance with the foregoing terms and the Opinion and Order of the Jefferson Circuit Court.

The motion passed.

IV. Adjournment

Having no other business to come before the board, Dr. Burse made a motion, which Mr. Rogers seconded, to adjourn.

The motion passed and the meeting adjourned at 9:45 a.m.

Approved by:

Signature on file
Assistant Secretary

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August 2, 2021

In Executive Session

Present: Ms. Mary Nixon, Chair
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Mr. David Krebs, Director
Mr. Mark Nickel, Director
Mr. Ken Payne, Director
Mr. Franklin Jelsma, ULF Counsel

Others: Ms. Barbara Edelman, Dinsmore
Mr. Grahmn Morgan, Dinsmore

I. Call to Order

Chair Nixon called the executive session to order at 9:09 a.m.

II. Proposed or Pending Litigation

The board discussed proposed or pending litigation.

III. Adjournment

Dr. Burse made a motion, which Mr. Rogers seconded, to adjourn the executive session.

The motion passed and the session adjourned at 9:40 a.m.

Approved by:

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Signature on file _____
Assistant Secretary

RECOMMENDATION TO THE UNIVERSITY OF LOUISVILLE
BOARD OF TRUSTEES AND FOUNDATION BOARD OF DIRECTORS
REGARDING TERMS OF A LITIGATED SETTLEMENT

UofL Board of Trustees – August 2, 2021
UofL Foundation Board of Directors – August 2, 2021

RECOMMENDATION:

The President of UofL and the Executive Director of the Foundation recommend that the Board of Trustees and the Foundation Board of Directors approve the January 29, 2021 settlement reached on the following terms, which are set forth in the Jefferson Circuit Court's July 29, 2021 Opinion and Order:

- The terms of the settlement agreement will remain confidential until final Board approval.
- The University and the Foundation accept \$800,000 as full payment of the settlement, which funds shall be paid to the Foundation.
- The University and the Foundation shall not be obligated to pay the Defendants' legal costs and fees.
- Funds previously held in escrow shall be transferred as follows:
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- Tuition remission will be provided for Mark E. Smith if Mr. Smith enrolls in any University master's or MBA program within three years of the January 29, 2021 settlement date.
- The Parties to the litigation will give and receive full and complete releases to and from each other, which shall include the Defendants' release of claims against the University and the Foundation for defense cost reimbursement.
- All pending claims, counterclaims, proceedings, and causes of action related to this matter shall be dismissed with prejudice.
- Neither the University nor the Foundation shall have any obligation to defend or indemnify Ramsey/Smith from any action related to the Internal Revenue Service.

Furthermore, the Board of Trustees and Board of Directors authorizes their respective attorneys and General Counsels to finalize the settlement in accordance with the foregoing terms and the Opinion and Order of the Jefferson Circuit Court.

UofL Board of Trustees Action:

Passed X
Did Not Pass
Other

Signature on file

Chair
Mary Nixon

ULF Board of Directors Action:

Passed X
Did Not Pass
Other

Signature on file

Chair
Earl Reed