

Subject: RE: Statement
From: "Nicholas Miller" <nMiller@***>
Date: Thu, 2 Nov 2006 17:34:58 -0800
To: "G. Arthur Joy" <gabbjoy4@***>

Gailon,

I wouldn't make a specific release to clarify this, just make the change in your notes. I never knew that this was a policy directive, although I can imagine that the instructions not to give Linda confidential information perhaps were understood in this way. Darrell was one who was suspected of having mailing lists and forwarding them to Linda, and possibly received a cease-and-desist letter regarding confidential information. But I would not have written a letter requiring no contact, as that would go far beyond what we could legally or fairly require as an employer.

As to Bob's question, the short answer is this: A year ago from last January I came across various information both financial and operational, and some personal in relation to Danny, that deeply concerned me, and was relevant to both my role as attorney and board member. If it was not straightened up, I could not in good conscience stay on in either role. I approached the chairman of the board, and one or two influential board members, to work to straighten it up. For the next two or three months, with their assistance, we began to put policies in place, financial, personnel, and other accountability structures for leadership. Unsurprisingly, Danny began to get annoyed when policies were proposed or actually implemented that curbed his authority. He became aware that my concerns were the driving force behind much of it, and he confronted me, and essentially told me to back off, or he would have his former brother-in-law, a current Three Angels senior employee, "investigate" my legal representation. It was a strong message that I back of my concerns or lose my legal role with Three Angels. Well, I'm not that kind of lawyer, so I didn't back off, and his brother-in-law took my billing records, modified them without my knowledge, and sent them with a report to the board members claiming that I had billed for services that had not been requested by management. It was an odd charge, as I submitted detailed bills every month, and management signed off on the bills, and knew exactly what I was doing. This related to bills that had been happily paid more than a year earlier. But in any event, Danny beat me to the punch with the larger board, and of course I needed to raise the other financial and operational concerns to explain why Danny was accusing me of this. The board was not interested in the details of either of our accusations, they did not ask to see the billing records, they did not ask to view the evidence underlying my accusations. Basically they said, and I'm paraphrasing an important board member, that "Nick's a good guy, Danny's a good guy, but they cannot work together anymore, somebody needs to leave, and Danny's too important to go." I had no desire to stay around and serve on a board that would not take seriously its oversight role, and would not even be curious about the evidence involved I had graduate studies and the Institute to pursue, and thus I willingly tendered my resignation. Some of the board members felt badly about it, including Ken Denslow. Walt Thompson told me that he knew that Danny was just trying to get rid of me, and said that he would give me a recommendation if I needed it. I have had a gentlemen's agreement with 3-ABN not to raise this story, if they did not spread about me the allegation of billing impropriety, but as you know that allegation, I feel free to share my side with you. But please do not spread it more broadly, only to those that know off the allegation against me.