

## **NEWS RELEASE**

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### **ATTORNEY GENERAL STENEHJEM SEEKS TO DISSOLVE DSU FOUNDATION**

BISMARCK, ND – Attorney General Wayne Stenehjem has filed an amended complaint with the Stark County District Court, seeking the dissolution of the Dickinson State University Foundation (Foundation) following the recommendation of a court appointed receiver of the foundation.

“My overriding concern is to assure the orderly dissolution of the foundation, to preserve restricted assets donated by generous donors over the years, and to provide a clean slate so a new foundation can emerge in the end to provide needed assistance to DSU students in the future, Stenehjem said.

“As the receiver conducted his work, it became clear that the Foundation was insolvent, owing more money than could be paid with existing assets. We will work to preserve donations that were given with the intent that they be devoted to specific purposes. In the end, DSU, its faculty, staff, and most important, students, need the benefit of a strong and financially sound foundation,” Stenehjem concluded.

### **BACKGROUND**

In November, 2014, after learning from the North Dakota University Systems of concerns regarding the Foundation, Stenehjem asked the District Court to appoint a receiver to assess the financial situation at the Foundation and to preserve and protect the restricted donations. The Foundation agreed to the appointment of Sean Smith as receiver and he retained an accountant to prepare a financial statement and review all of the donations and restricted assets of the Foundation.

Stenehjem’s goal was that the Foundation could continue to exist. Ultimately, the Receiver formulated a plan that, if successful, would have allowed the existing foundation to continue. This plan, however, was contingent on a satisfactory resolution of Granville Brinkman’s money judgment against the Foundation. The Receiver’s many attempts to resolve this judgment were unsuccessful because Brinkman would not compromise the debt. As a result, both the Receiver and the Attorney General concluded that the only alternative is to dissolve the Foundation and allow the court to determine the status of restricted assets and creditor claims.

Although the Foundation made some poor investment decisions, the Receiver did not discover any malfeasance, wrong-doing, or fraudulent activity by the current or past management, staff or directors of the Foundation.

In the meantime, the existence of a foundation to support the University and its students is critical. Community supporters have expressed an interest in continuing to support the role and work of the foundation. The Attorney General is working with the University, University System and community representatives to create a new foundation for Dickinson State University, to continue the Foundation’s mission of supporting the University and its students through student and faculty scholarships, etc. The new foundation will be a separate entity structured under Dickinson State University.