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OFFICE OF GENERAL
COUNSEL

**BY FEDERAL EXPRESS AND
ELECTRONIC MAIL**

Office of the General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: Kansas City University of Medicine and Biosciences/MUR 6249

To Whom It May Concern:

On behalf of our client, the Kansas City University of Medicine and Biosciences (the "University"), we are responding to the December 14, 2010 letter from the Federal Election Commission ("Commission") regarding Pre-MUR 494/MUR 6249 ("December 14 Letter"). In the December 14 Letter, the Commission states that the University may submit any factual or legal materials that the University believes are relevant to the Commission's consideration of MUR 6249. On behalf of the University, we hereby respectfully submit to the Commission additional materials for the Commission's review.

The University acknowledges and fully commits to meet its legal obligation to preserve all documents, records and materials related to this matter until such time as the Commission notifies the University that the Commission has closed its file in this matter. In addition, as stated in the University's Sua Sponte Submission (as defined below), the University and its Board of Trustees again pledge full and complete support to and cooperation with the Commission in any further review or investigation that the Commission may decide to conduct.

In the Factual and Legal Analysis section of the Commission's December 14 Letter, the Commission states that (1) the funds paid to Ms. Pletz in order to make political contributions took the form of a leadership stipend from 2002 through 2009, and (2) the Sua Sponte Submission "suggests that without the representation as to the need to make political contributions to further the University's interests, Ms. Pletz would not have received the leadership stipend."

The University respectfully disagrees with the Commission's finding in its Factual and Legal Analysis regarding the leadership stipend.

After the University filed its Sua Sponte Submission, Original Complaint and Amended Complaint with the FEC, the Special Committee investigation continued for a period of time into all issues that had been brought to the attention of the Board of Trustees, both prior to the formation of the Special Committee and afterwards, including the FECA related issues that the University previously disclosed to the Commission. As a result of this continued investigation, additional information has been compiled.

During the relevant time period of 1989 to 2009, thirty-nine (39) individuals served as members of the Board of Trustees. Three (3) of those individuals, Dr. Jack Weaver, Dr. Robert Ricci and Mr. Arch Paterson, are deceased. Of the thirty-six (36) living current or former Trustees, twenty-six (26) of these individuals, including Ms. Pletz, provided information pertinent to this matter (the "Interviewed Trustees"). The Interviewed Trustees are listed on Exhibit A attached hereto.

Of the remaining ten (10) individuals, who are all former Trustees of the University (the "Non-Interviewed Trustees"), some expressly declined to be interviewed, others did not respond to calls, letters or e-mails from the Special Committee, and one (Mr. Phillip Tate) has been deposed in the civil litigation between the University and Ms. Pletz, but that record was designated as Confidential by counsel for Ms. Pletz.¹ The Non-Interviewed Trustees are listed on Exhibit B attached hereto.

As discussed in more detail herein, of the Interviewed Trustees, Ms. Pletz alone was aware of her proposal for the University to provide her with financial support to make political contributions. Such proposal was evidenced in the September 26, 1999 internal memorandum from Ms. Pletz to Dr. Jack Weaver (the "1999 Memo"). Prior to the commencement of the Special Committee's investigation in late 2009, none of the other Interviewed Trustees were aware of Ms. Pletz's proposal for the University to provide her with financial support to make political contributions.

In order to receive the amount referenced in the 1999 Memo, Ms. Pletz would need to obtain an appropriately signed personnel action form authorizing the payment of such amount. During the Special Committee's investigation, transparencies and other forms of copied signatures of certain members of the Board of Trustees were found in Ms. Pletz's executive office suite. Evidence further demonstrates that minutes were created that did not accurately reflect what occurred at Board and Committee meetings, and that signatures were forged or affixed to University documents, including meeting minutes. With respect to the personnel action form dated October 8, 1999 ("1999 PAF"), which was related to the 1999 Memo and authorized the payment of \$42,000 to Ms. Pletz, the University is currently unable to determine whether Dr. Jack Weaver's signature on such 1999 PAF was his actual signature or was forged.

The only information that the Special Committee's investigation uncovered that purported to link the stipends paid by the University to Ms. Pletz from 2002 through 2009 to political contributions were Ms. Pletz's November 2009 Annual Report to the Board of Trustees ("Annual

¹ One Non-Interviewed Trustee did exchange voicemails with University Counsel but never proceeded to an interview.

Report") and her October 28, 2009 text message to Dr. H. Danny Weaver. Evidence suggests that the stipends extracted from the University by Ms. Pletz from 2002 to 2009 were done outside the University's approved compensation process and through a pattern of deceptive acts and practices collectively resulting in the personal financial enrichment of Ms. Pletz. Indeed, this factual situation is under investigation by a pending grand jury in the Western District of Missouri.

The University and the Board of Trustees have taken many steps to correct those events that occurred under the direction, supervision and guidance of Ms. Pletz and also prevent such events from occurring again. A discussion of these steps is contained herein.

Following the termination of Ms. Pletz's employment, the Board of Trustees asked University Counsel to review the University's current governance structure and make recommendations, based on best nonprofit governance practices, for changes to such governance structure. University Counsel conducted a thorough review of the University's governance structure, and based on that review, made recommendations that the University take several actions, many of which will be relevant to helping prevent any future violations of FECA by the University. These actions, which were approved by the Board of Trustees, are set forth below.

In early 2010, the Board of Trustees formed a Governance Committee. This Governance Committee was integral in reviewing University Counsel's proposed governance recommendations, commenting on such proposed recommendations, and presenting the proposed recommendations to the full Board of Trustees for review and approval.

In May 2010, the University amended and restated its Articles of Incorporation. The University's current Amended and Restated Articles of Incorporation are attached hereto as Exhibit C. Article VI of the Amended and Restated Articles of Incorporation affirmatively states that the University "shall not participate in or intervene in (including the publishing or distribution of statement) any political campaign on behalf of or in opposition to any candidate for public office, within the meaning of Section 501(c)(3) of the Code." This provision of the University's Amended and Restated Articles of Incorporation makes clear that the University will not tolerate any possible involvement in political activity, and this provision serves as one important step in the process of preventing future violations of FECA by the University.

The University also amended and restated its Bylaws. The University's current Second Amended and Restated Bylaws are attached hereto as Exhibit D. Included in the Second Amended and Restated Bylaws are provisions that will provide more oversight to the University's financial matters. Specifically, Article VIII, Section 3 of the University's Second Amended and Restated Bylaws sets forth that (1) all out-of-pocket expenses of the University's President for which the President will seek reimbursement or an advance in excess of \$10,000 in the aggregate for any given event or transaction must be approved in advance by the Chairman of the Board or, in his or her absence, the Vice Chairman of the Board of Trustees, (2) all out-of-pocket expenses of any of the University's Executive Vice Presidents for which an Executive Vice President will seek reimbursement or an advance in excess of \$10,000 in the aggregate for any given event or transaction must be approved in advance by the University's President and reported to the Chairman of the Board of Trustees, and (3) the Chairman of the Board of Trustees will perform a

monthly review of the expenses of the University's President and Executive Vice Presidents. These financial oversight measures will address any financial improprieties with respect to the University's President and Executive Vice Presidents, including any possible improprieties that could result in violations of FECA.

The Board of Trustees adopted detailed committee charters for each of the University's standing committees of the Board of Trustees. These committees include the Academic and Medical Affairs Committee, Audit Committee, Compensation and Benefits Committee, Executive Committee, Finance and Investment Committee, and Governance and Nominating Committee. The Board of Trustees also adopted the following policies, which the University did not have in place prior to the termination of Ms. Pham's employment:

- Executive Compensation Policy;
- Corporate Minutes Policy;
- Form 990 Review Policy;
- Gift Acceptance Policy; and
- Whistleblower Policy.

The University has also undertaken a comprehensive process to educate its officers, key employees, and Board of Trustees regarding the restrictions placed on charitable organizations, such as the University, with respect to political activities. Attached to this letter as Exhibit E is a document that is being provided to the University's officers, key employees and Board of Trustees. The purpose of this document is to ensure that all individuals with decision-making authority within the University are aware of the strict prohibition on political activities, including the strict prohibition on corporate reimbursement of an individual's contributions to political candidates.

The University has also added new leadership. In September 2010, Dr. H. Danny Weaver was elected as the President and Chief Executive Officer of the University. At such time, Dr. H. Danny Weaver stepped down as the Chair of the Board of Trustees, and Dr. Darwin Strickland stepped down as the Vice Chair of the Board of Trustees. Mr. Terry Dunn was elected the new Chair of the Board of Trustees and Dr. Megan McBride was elected the new Vice Chair of the Board of Trustees. Mr. Dunn is the President and Chief Executive Officer of JE Dunn Construction, one of the nation's largest commercial construction companies. Dr. McBride is a practicing physician in the St. Louis, Missouri area and the former President of the University's Alumni Association.

Also in September 2010, the Board of Trustees elected five (5) new members of the Board of Trustees and established an Advisory Board. The new Trustees, who are listed below, will provide the University with additional expertise in the field of higher education, finance, medicine, and medical education. The Advisory Board, whose members are also listed below, will provide the Board of Trustees and officers of the University with expertise in several areas that are relevant to the University's operations.

The five (5) new members of the Board of Trustees are:

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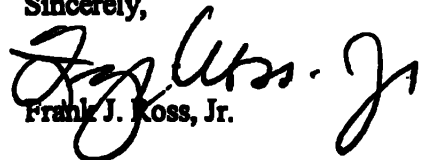
- Ron Slepitz, Ph.D., President of Avila University in Kansas City, Missouri;
- Kevin Kaufman, Audit Partner at KMEG, LLP in Kansas City, Missouri;
- Marshall Walker, D.O., Director of Medical Education at Via Christi Regional Medical Center in Wichita, Kansas;
- Scot Holliday, D.O., physician in Dallas, Texas; and
- Bruce Williams, D.O., physician in Lee's Summit, Missouri.

The four (4) members of the Advisory Board are:

- Rev. Thomas Curran, O.S.F.S, President of Rockhurst University in Kansas City, Missouri;
- William P. Duncan, formerly President of the Kansas City Life Sciences Institute; and
- Gerald Baird, formerly of the Johnson County Community College in the Kansas City area.
- Anthony Tocco, PhD, Professor of Accounting, Rockhurst University

It is our hope that this information is relevant to the Commission's review of MUR 6249. If the Commission has any questions regarding anything contained in this letter or needs any additional information, please do not hesitate to contact us. The University and the Board of Trustees are fully committed to cooperating with the Commission and will provide any and all possible support to the Commission in its review and action with respect to MUR 6249.

Sincerely,


Frank J. Koss, Jr.

Attachments

EXHIBIT C

12044313413

File Number:
N00005880
Date Filed: 06/06/2010
Robin Carnahan
Secretary of State

**CERTIFICATE TO
AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF**

KANSAS CITY UNIVERSITY OF MEDICINE AND BIOSCIENCES

Pursuant to Section 355.576 of the Missouri Nonprofit Corporation Act ("Act"), the Kansas City University of Medicine and Biosciences, a Missouri nonprofit corporation ("Corporation"), for the purpose of amending and restating its Articles of Incorporation, hereby executes the following certificate and states:

1. The Amended and Restated Articles of Incorporation of the Corporation ("Articles") do not contain amendments to the Articles of Incorporation of the Corporation ("Amendments") requiring approval by the members or any other person other than the Board of Trustees of the Corporation.

2. The Board of Trustees of the Corporation adopted the Articles at a meeting duly called and held on April 20, 2010.

In affirmation of the facts stated above,

May 06, 2010


Howard E. Weaver, D.O., Chairman of the Board

State of Missouri
Amend/Restate - NonProfit 5 Page(s)



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**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF**

KANSAS CITY UNIVERSITY OF MEDICINE AND BIOSCIENCES

a Missouri nonprofit corporation

The undersigned, President of the Kansas City University of Medicine and Biosciences, a Missouri nonprofit corporation, for the purpose of amending and restating the Articles of Incorporation, does hereby make and execute these Amended and Restated Articles of Incorporation. These Amended and Restated Articles of Incorporation supersede the Articles of Incorporation and all amendments thereto.

The Articles of Incorporation are hereby amended and restated to read in their entirety as set forth below:

**ARTICLE I
NAME OF CORPORATION**

The name of the Corporation is the Kansas City University of Medicine and Biosciences (the "Corporation").

**ARTICLE II
PUBLIC BENEFIT CORPORATION**

The Corporation is a public benefit corporation.

**ARTICLE III
REGISTERED AGENT**

The address of its Registered Office in the State of Missouri is 1750 Independence Avenue, Kansas City, Missouri 64106, and the name of its Registered Agent at said address is T. Nelson Mann.

**ARTICLE IV
MEMBERSHIP**

The Corporation will not have voting members. The Corporation may have nonvoting members as provided in the Bylaws.

**ARTICLE V
PURPOSES**

The Corporation is organized exclusively for charitable, religious, educational and scientific purposes within the meaning of Sections 501(c)(3), 170(c)(2)(B), 2055(a)(2) and 2522(a)(2) of the Internal Revenue Code of 1986, as amended or the corresponding section of any future federal tax code (the "Code"), including, for such purposes, the making of

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distributions to organizations that qualify as exempt organizations under Section 501(a) of the Code by reason of description in Section 501(c)(3) of the Code. The Corporation shall have the following purposes, to wit: to promote the study of the theory and practice of osteopathy, medicine, surgery, pharmacy, dentistry, nursing, hospital administration, public health and all other health sciences, in all departments, specialties and subspecialties thereof. The Corporation shall have the following powers to carry out the foregoing purposes, to wit: to own, operate and administer professional, postgraduate and undergraduate colleges, schools, clinics, teaching programs and clinics pertaining to the learning, development, application and administration of osteopathy, medicine, surgery, pharmacy, dentistry, nursing, hospital administration, public health and all other health sciences, in all departments, specialties and subspecialties thereof, and to grant professional, postgraduate and undergraduate degrees, diplomas, and certification and awards in connection with the same; to conduct research in the biosciences; to establish, own, administer and manage hospitals, sanitariums, clinics and all other types of health-related facilities including the operation of a Health Maintenance Organization; to acquire, own and sell real property for the purposes of the Corporation; to erect, own, operate and equip buildings to carry out the purposes of the Corporation; to own and operate any and all property now owned by the Corporation or which may be hereafter owned by the Corporation; to receive donations and endowments of property, money or services; to borrow money and secure the repayment thereof by pledge or mortgage or otherwise; to procure students, both male and female, for the purposes of the Corporation; to do all things that are proper and incident to the acquiring, developing, equipping and maintaining of like institutions of learning or health care; to adopt, supplement, or amend any and all bylaws of the Corporation; to have and to exercise all powers enumerated in Section 355.131, RSMo; and to do any and all lawful things which tend to develop and advance the purposes of the Corporation.

ARTICLE VI

PROHIBITED TRANSACTIONS

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its trustees, officers or other private persons within the meaning of Section 501(c)(3) of the Code, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article V hereof.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office, within the meaning of Section 501(c)(3) of the Code.

Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(a) of the Code by reason of description in Section 501(c)(3) of the Code, or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

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ARTICLE VII
BOARD OF TRUSTEES

The Corporation shall be governed by a Board of Trustees. The number of trustees that will constitute the Board of Trustees will be as from time to time fixed by, or in the manner provided in, the Bylaws.

ARTICLE VIII
DURATION

The period of duration of the Corporation is perpetual.

ARTICLE IX
DISSOLUTION

Upon the dissolution of the Corporation, the Board of Trustees shall, after paying or making provisions for the payment of all of the liabilities of the Corporation, distribute all of the assets of the Corporation to an organization or organizations organized and operated exclusively for charitable, educational, scientific or religious purposes as shall at the time qualify as an exempt organization or organizations by reason of description in Section 501(c)(3) of the Code. Any of such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE X
NO PERSONAL LIABILITY FOR CORPORATE DEBTS

Neither the trustees nor the members, if any, of the Corporation shall be individually or personally liable for the debts, liabilities or obligations of the Corporation.

ARTICLE XI
INDEMNIFICATION

The Corporation shall indemnify and defend any trustee or officer of the Corporation, or any person who serves at the request of the Corporation as a director, trustee, officer or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, to the fullest extent permitted by the laws of the State of Missouri.

The indemnification and other rights provided for by this Article XI shall not be deemed exclusive of any other rights to which a person may be entitled under any applicable law, the Bylaws of the Corporation, agreement, vote of disinterested trustees, or otherwise. The Board of Trustees shall have the authority to enter into agreements with the trustees and officers of the Corporation and with persons serving, at the request of the Corporation, as directors, trustees, officers and agents of an affiliated corporation or other enterprise, on terms that the Board of Trustees deems advisable, which may provide greater indemnification rights than that generally provided by the Missouri Nonprofit Corporation Act; provided, however, that no such further indemnity shall indemnify any person from or on account of such person's conduct which was

finally adjudged to have been knowingly fraudulent, deliberately dishonest, or willful misconduct.

In affirmation of the facts stated above, these Amended and Restated Articles of Incorporation have been signed this 06th day of May, 2010.


Howard D. Weaver, D.O., Chairman of the Board

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State of Missouri



Robin Carnahan
Secretary of State

**CERTIFICATE OF AMENDMENT AND RESTATEMENT
OF A Non-Profit Corporation**

WHEREAS,

*Kansas City University of Medicine and Biosciences
N00005880*

a corporation organized under The Missouri Nonprofit Corporation Law has delivered to me Articles of Amendment and Restatement of its Articles of Incorporation and has in all respects complied with the requirements of law governing the Amendment and Restatement of Articles of Incorporation under The Missouri Nonprofit Corporation Law, and that the Articles of Incorporation of said corporation are amended and restated in accordance therewith.

**IN TESTIMONY WHEREOF, I hereunto
set my hand and cause to be affixed the
GREAT SEAL of the State of Missouri.
Done at the City of Jefferson, this
6th day of May, 2010.**

Robin Carnahan

Secretary of State

