

# AMERICAN RACING PIGEON UNION, INC.

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2016 Convention Update

To the AU Membership:

We would like to thank those of you who have reached out to the AU regarding the 2016 convention. We know that many of you have questions, and we would like to provide a brief update regarding the status of the AU's investigation, which is ongoing, and attempts to obtain satisfactory information. As you are or may be aware, earlier this year and not long after the 2016 convention concluded, the AU embarked on a focused effort to obtain full disclosure from the convention chairperson, which included a request for a detailed accounting and supporting documents. That did not occur to the satisfaction of the AU.

- For the last several decades, the annual AU convention has been managed by local hosts, primarily as a means for the AU membership to come together as race enthusiasts and for the local hosts to raise monies for their respective clubs. The AU does not benefit financially from the convention since the purpose of the convention is to foster camaraderie among those who enjoy the sport of pigeon racing. The AU bylaws allow local AU organizations, such as clubs and combines to submit an application to be selected as a convention host. The duties for the host include, among other things, (and still includes) primary responsibility for securing an appropriate venue for the convention, managing the collection and verification of convention registrations, coordinating activities for flyers and managing payout distribution to race entrants and race handlers. The list of responsibilities and requirements for a convention host are extensive and explicit, and make clear to the host or hosts that they are responsible for running all aspects of the convention under the terms of the contract and in accordance with the AU.
- Shortly after it became apparent that there were concerns regarding the 2016 convention, the AU board and executive director sought information from the host chairperson to obtain answers. When no satisfactory response was forthcoming, the AU consulted its existing legal counsel, as well as retained special legal counsel in California,

to proactively investigate this matter. The AU, through its counsel, reached out to the attorney for the host chairperson and demanded a detailed accounting. As the AU has previously informed you, what the AU received from the host chairperson was minimally responsive and failed to address the AU concerns or meet the AU's expectations of the information that it had requested. Neither the host chairperson nor his attorney responded to our follow up requests for further and adequate information.

- On or around the time the AU was attempting to obtain information from the 2016 host chairperson, the AU learned that a law enforcement investigation had been initiated regarding the 2016 convention. As with many law enforcement investigations, including those concerning financial issues, such an inquiry can take a particularly long time for the investigation to reach a conclusion. In fact, even though the AU understands that the law enforcement investigation was initiated earlier this year, the AU has not been advised that the law enforcement inquiry has concluded. Just like many of you, the AU in no way wishes to encroach on this law enforcement investigation especially since this investigation may assist the AU in bringing any possible wrongdoers to justice. Accordingly, while the law enforcement investigation is underway, and until the AU obtains notification that the law enforcement investigation has reached its final conclusion, the AU will await the outcome of the criminal investigation as we believe that it is in the best interest of the membership to do so. The AU wishes to avoid taking an action that may ultimately hamper the AU's ability to get to the bottom of what occurred regarding the 2016 convention by encroaching on the law enforcement investigation that was opened regarding the 2016 convention.
- Along these same lines, approximately two months ago, the AU was contacted by a law firm that indicated that it represented some "participants" of the 2016 convention. Similar to the AU's concern about the apparent pending criminal investigation, the possibility of civil litigation also prevents the AU from providing detailed information at this time.

While criminal consequences can be quite serious and necessitate clear proof of wrongdoing, civil litigation also has significant consequences. While the AU recognizes that it is a source of frustration for the AU, its Board and most critically, the membership, the AU worked hard to obtain satisfactory information regarding the 2016 convention from the host chairperson. We are hopeful that the AU membership understands that limitations that have now been placed on the AU due to these apparent ongoing criminal investigation and civil litigation matter of which the AU has been made aware of. Once these matters have concluded, the AU can make more information available with the membership. Until that time, the AU has now been placed in a position where it must respect the seriousness of the pending criminal and civil matters and to ensure that it does not take steps to jeopardize either. Like you, the AU hopes for a quick resolution but ensuring that the resolution is a proper one must be foremost. Just as the criminal investigation must take its course, which may be longer than some may desire, it is far better for the AU membership that the AU act with a determined level headedness that will ensure the longevity of our great organization and stay focused on its mission.

Generations of pigeon racing enthusiasts of all ages have enjoyed our sport, and the AU is proud that it has been on the forefront of bringing our community together to do so. The AU is committed to ensuring that what occurred in 2016 does not happen again and that the unfortunate events remain an anomaly.

As the AU and the membership await the conclusion of the criminal investigation and the possible civil matter, the AU asks for your continued patience in light of these issues since we know that most of you share in the mission of the organization. Again, it is the AU's belief that while obtaining quick answers is desirable, getting the proper result is always preferred.