

KINNEY, ELLINGHAUSEN,
RICHARD & DESHAZO

A PROFESSIONAL LAW CORPORATION
1250 Poydras Street, Suite 2450
New Orleans, LA 70113

HENRY W. KINNEY henryk@kinneylaw.com
JOHN W. ELLINGHAUSEN johne@kinneylaw.com
DON M. RICHARD donr@kinneylaw.com
MICHAEL L. DESHAZO michaeld@kinneylaw.com

TELEPHONE: 504.524.0206

FACSIMILE: 504.525.6216

WEBSITE: kinneylaw.com

JOHN D. MIRANDA johnd@kinneylaw.com
RYAN D. KELLEY ryank@kinneylaw.com
CHRISTINE W. ADAMS christinea@kinneylaw.com

March 17, 2013

Gene Lee, Chairman of the Board of Trustees of Louisiana College and Board of
Trustees of Louisiana College
Louisiana College
1140 College Dr.
Pineville, LA 71360

RE: Confidential Report of Investigation into Allegations Raised Against Dr.

Joe Aguillard

Dear Chairman Lee and Members of the Board:

The following is a report documenting our investigation into the allegations against Dr. Joe Aguillard, which you commissioned our firm to undertake on February 22, 2013. It is our understanding that you contacted our firm based upon the recommendation of Jim Guenther and his referral to our firm and its senior partner, Don Richard, based on its history of experience representing religious non-profit corporations, including his representation of the New Orleans Baptist Theological Seminary (NOBTS) for over twenty-five years.

We submit this report to you as chairman of the Board of Trustees and in your capacity as Compliance Officer of the Louisiana College Whistleblower Policy charged with investigating any allegations made against the President under the Policy. We stress that we have no bias or previous relationship with any of these parties. Our charge was solely to determine the accuracy of the factual allegations made by the whistleblower complaints.

FACTUAL BACKGROUND

Prior to your contacting us on February 22, 2013, we understand that you independently investigated a number of allegations concerning Dr. Aguillard, including interviews of complainants and others believed to have knowledge of the alleged events (who will remain confidential), as well as the interview of Dr. Aguillard on February 13, 2013.

Upon the engagement executed on February 28, 2013, our firm has undertaken the obligation of assisting you in the investigation into Dr. Aguillard based on the allegations contained in the Whistleblower reports. We have been proceeding under the time constraints of the March 19, 2013, meeting of the Louisiana College Board of Trustees. Our investigation has included the review of the following documents:

1. Revised Articles of Incorporation of Louisiana College.
2. Bylaws of Louisiana College.
3. Whistleblower policy of Louisiana College.
4. Whistleblower complaint of Charles Quarles.
5. Whistleblower complaint of Tim Johnson.
6. Employment contract of Joe Aguillard.
7. Faculty handbook of Louisiana College.
8. Student handbook of Louisiana College.
9. Minutes of Executive Committee and Board of Trustees meetings.
10. Various letters and correspondence received from Chairman, including correspondences of Dr. Aguillard and Dr. Quarles, as well as letters and instructions from the Cason Foundation.
11. Recordings of meetings of the Board and December 6, 2012, meeting with Dr. Quarles, Dr. Aguillard, and Dr. Johnson.
12. Interviews of Edgar Cason, Charles Quarles, Tim Johnson, Travis Wright, Fred Jones, Jim Garlington.

We also scheduled a series of interviews with individuals believed to have knowledge of inappropriate acts by Dr. Aguillard, as well as information concerning the investigations into one or more Whistleblowers and possible retaliatory actions taken by him as retribution for the filing of these reports. We held these interviews on March 13, 2013, and attempted to schedule an interview on the same day with Dr. Aguillard. However, this request was denied in spite of the fact that we advised him and his attorney that this interview was being requested in furtherance of the investigation being carried out by you as Compliance Officer of Louisiana College. We were informed by correspondence from his attorney that any allegations of impropriety were unfounded and that Dr. Aguillard would not be attending the interviews.

In light of the March 19, 2013 meeting, we have done our best to compile an exhaustive report, but we have been unable to comprehensively review all email correspondence, and were also unable to conduct an interview with Dr. Aguillard. Therefore, we have been unable to investigate to conclusion whether the actions taken by him were in retaliation to reports filed by individual Whistleblowers, or whether the actions taken against the three discharged faculty members were in fact meant to distract Board members from the pending Whistleblower complaints.

As detailed in the initial Whistleblower complaint to Mr. Lee, our investigation was limited primarily to the following three topics:

1. Whether President Aguillard intentionally misled the Louisiana College administration, the Board of Trustees, and donors regarding the existence of a \$10 million pledge from the Cason Foundation for the construction of a Joint Divinity/Law School facility which was to be the first 20% of the Capital Campaign;
2. Whether President Aguillard misappropriated Caskey School of Divinity funds for expenses related to LC Tanzania and attempted to hide that misappropriation; and
3. Whether President Aguillard intentionally misled the Louisiana College Board of Trustees and Louisiana College donors regarding promised funding for LC Tanzania.

PROCEDURAL POLICIES

The Whistleblower Policy of Louisiana College provides in pertinent part:

B—It is the responsibility of all trustees and employees to comply with these standards and to report violations or suspected violations in accordance with this Whistleblower Policy.

C(1)—No trustee or employee who, in good faith, reports a violation of this standard shall suffer harassment, retaliation or adverse employment consequence.

C(1)(a)—Any employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

C(4)(c)—Employees are required to report suspected violations of the organization's standards to the President or, if it involves the President, the Chairman of the Board of Trustees.

C(5) – Because Louisiana College is a small organization, the Chairman of the Board of Trustees shall function as the compliance officer and is responsible for investigating and resolving all reported complaints and allegations concerning violations of the ethical standards required by Louisiana College.

Thus, in summary, each employee of Louisiana College is required by the Whistleblower Policy to report violations or suspected violations of the Policy to the proper authority. An employee reporting under this Policy shall not be subject to “harassment, retaliation, or adverse employment consequence.” If such allegations involve the President of Louisiana College, the reporting employee must bring his allegations to the Chairman of the Board of Trustees (Dr. Gene Lee), who will act as the Compliance Officer and be ultimately responsible for investigating and resolving the allegations.

Dr. Aguillard’s employment contract with Louisiana College contains a specific Termination Clause, which provides for the termination of Dr. Aguillard’s contract with the College on the following grounds:

(e) – final determination by the Board of Trustees that Aguillard has engaged in professional or moral misconduct as determined by the sole discretion of the Board of Trustees;

(g)(i) – an act or acts of personal dishonesty taken by Aguillard; and

(g)(iv) – if any representation by Aguillard to the College is materially untrue and Aguillard knew or should have known the representation was untrue.

LIST OF EXHIBITS

Exhibit A – Quarles Whistleblower Complaint originally dated December 7, 2012 and supplemented on December 11, 2012.

Exhibit B – Cason Report dated December 13, 2012.

Exhibit C – letter from President Aguillard dated October 17, 2011.

Exhibit D – email from President Aguillard dated March 26, 2012.

Exhibit E – email from President Aguillard dated September 7, 2012.

Exhibit F – email from President Aguillard dated September 11, 2012.

Exhibit G – correspondence from President Aguillard dated October 9, 2012.

Exhibit H – statement of Louisiana College, undated.

Exhibit I – correspondence from Cason Foundation dated October 17, 2012.

Exhibit J – email from President Aguillard dated December 7, 2012.

Exhibit K – correspondence from Cason Foundation dated December 8, 2012.

Exhibit L – Correspondence from Cason Foundation dated December 12, 2012.

Exhibit M – correspondence sent to Edgar Cason, undated.

Exhibit N—email from Drew Landry dated January 10, 2013.

Exhibit O—Tim Johnson Whistleblower Complaint dated February 5, 2013.

Exhibit P—letter from Terrance Hoychick to Gene Lee, dated March 1, 2013.

Exhibit Q—letter from Henry Kinney to Terrance Hoychick dated March 11, 2013.

Exhibit R—correspondences requesting to interview President Aguillard and his attorney's responses dated March 12, 2013 and March 13, 2013.

Exhibit S—Resolution of Board of Trustees dated March 1, 2013.

CHRONOLOGICAL TIMELINE OF ALLEGATIONS

Based upon the reports of individual Whistleblowers, correspondence between parties, minutes of Board meetings, and recorded conversations, we have been able to piece together the following timeline of the allegations in question. It should be clear that the following section explores only the allegations of improprieties, and does not conclude as to the veracity of these statements.

1. November 1, 2011—members of the Cason Foundation visit the Louisiana College campus to hear presentations on the Caskey School of Divinity. During the visit, Dr. Aguillard gave a presentation on the LC Tanzania project. Dr. Aguillard informed Dr. Quarles that the donors (Cason Foundation) had already insisted that they wanted their money to be used to train pastors and were not interested in investing in "brick and mortar," i.e., new campus buildings. At this time, members of the Cason Foundation requested to see a written proposal for LC Tanzania before promising to commit any money to the project. *See Exhibit A, Quarles Report.*
2. Subsequent to the Tanzania presentation, Dr. Aguillard informed Dr. Quarles that a member of the Cason Foundation had promised to fund the building of a Divinity School during a private conversation with Dr. Aguillard in the stairwell of Alexandria Hall. *See Exhibit A, Quarles Report.*
3. January 2012—Dr. Aguillard informs Dr. Quarles of his intent to announce at the March meeting of the Board that the Cason Foundation had agreed to fund LC Tanzania. Dr. Quarles objected to this announcement, reminding Dr. Aguillard that the Cason Foundation was awaiting a formal written proposal before deciding on LC Tanzania. *See Exhibit A, Quarles Report.*
4. March 19, 2012—Dr. Aguillard announces to the Board of Trustees that the Cason Foundation had agreed to fund the LC Tanzania Project, despite the fact that no firm commitment had been made. *See Exhibit A, Quarles Report.*

5. March 26, 2012—Dr. Aguillard proposes to include a statement in the report to the Louisiana Baptist Convention announcing the LC Tanzania Project and that it was made possible due to a large donation from the Caskey family. Dr. Quarles objected, stating that no such statement should be made without a definite commitment from the Cason Foundation. *See Exhibit A, Quarles Report.*
6. August 21, 2012—Dr. Quarles advises a Cason Board member to request an annual accounting to ensure that Foundation money was not being used inappropriately. *See Exhibit A, Quarles Report.*
7. September 2012—Dr. Aguillard and Dr. Quarles visit Edgar Cason in his home. During this meeting, Dr. Aguillard stressed that he had not come to ask for money, but that he had envisioned moving the LC Law School from Shreveport to the Pineville campus. He presented a plan to the Casons whereby the Law School could use Divinity School space when the Divinity School was not using such space. The Casons explained that their income had been reduced, that they wanted to provide funds for the Divinity School, but did not know when this would occur. They explained that they had no objection to the time share idea as long as the Dean of the Divinity School did not object. The Casons also inquired if the Shreveport facility would be sold to provide for the needs of the Law School. At no time did the Cason family ever indicate they were funding costs for the Divinity School. Dr. Aguillard did not respond to this question. *See Exhibit A, Quarles Report.*
8. August 24, 2012—During a meeting of the Executive Committee of the Louisiana College Board of Trustees, Dr. Aguillard informed the Committee that the Cason Foundation had agreed to build a \$10 million building that would house both the Divinity and the Law School. *See Exhibit A, Quarles Report.*
9. September 3, 2012—Dr. Aguillard informed the Executive Committee, “Given the offer of a \$10 million gift in the form of the building to concurrently house the Divinity and Law School on the main campus, we will consider moving the Law School back to the LC campus as originally planned. In discussion of the proposed Capital Campaign, he also stated that the first \$10 million for the \$50 million campaign was the \$10 million for the Divinity School, which was “pledged.” *See Exhibit A, Quarles Report.*
10. September 5, 2012—member of Cason Foundation makes request for financial report showing expenditure of Caskey School of Divinity Funds. *See Exhibit B, Cason Report.*
11. September 7, 2012—via email, Dr. Aguillard informed the Board of Trustees that a “very large donation” had been made available to the College only if they

brought the Law School back to the Pineville campus. *See Exhibit A, Quarles Report.*

12. September 11, 2012—Dr. Aguillard sends email to Cason Foundation members which states that the Tanzania work was sponsored by Joe Ricketts of Opportunity Education. *See Exhibit A, Quarles Report.*
13. October 1, 2012—Cason Foundation member informs Dr. Quarles that he had not yet received the annual accounting he had requested. Dr. Quarles was able to show him this report on his laptop, after which the Foundation member inquired as to the nearly \$60,000.00 spent on “Legal and other Professional Fees.” Dr. Quarles responded that he believed that the money was largely related to the Tanzania Project, to which the Foundation member replied that no money was approved to be spent on LC Tanzania and that he was under the impression that Joe Ricketts was funding the project. *See Exhibit A, Quarles Report.*
14. October 17, 2012—Dr. Aguillard receives a letter from the Cason Foundation to Dr. Aguillard, which states that they had no intention to fund the Tanzania project or the joint Divinity/Law School. *See Exhibit A, Quarles Report.*
15. December 4, 2012—Gilbert Little, director of the Capital Campaign, gives a presentation to the Board of Trustees, wherein he explained that the first twenty percent of the Capital Campaign was already guaranteed since the \$10 million pledge for the Divinity School had been rolled into the campaign. Although these statements were patently false, Dr. Aguillard made no attempt to correct Mr. Little during this presentation. *See Exhibit A, Quarles Report.*
16. December 6, 2012—meeting between Dr. Aguillard, Dr. Quarles, and Dr. Tim Johnson. Dr. Aguillard claims that he had simply forgotten to mention the October 17, 2012 letter and that he was not attempting to deceive the administration or members of the Board. *See Exhibit A, Quarles Report.*
17. December 7, 2012—Dr. Aguillard sends email to Board of Trustees informing them that they would be receiving a \$500,000.00 gift for the Divinity School and further explaining of a “cessation” of funds “at this point.” Attached to this email was a heavily redacted version of the October 17, 2012. *See Exhibit A, Quarles Report.*
18. December 7, 2012—Dr. Quarles files original Whistleblower Complaint regarding improprieties of Dr. Aguillard. *See Exhibit A, Quarles Report.*
19. December 10, 2012—Edgar Cason receives correspondence from Dr. Aguillard. This correspondence contained an undated statement for Mr. Cason to sign

which authorized the charges for legal fees for the Tanzania trip spent in the 2012 fiscal year. *See* Exhibit B, Cason Report.

20. January 8, 2013—correspondence sent from Gene Lee to Dr. Aguillard, wherein Mr. Lee warns him that it appears that the “Whistleblower process is being compromised...I need your full assurance that you will not take any action against anyone in your administration prior to us finalizing the investigation and presentation of our findings.”
21. March 1, 2013—Executive Committee of Board of Trustees passes Resolution ordering Dr. Aguillard to “immediately cease and desist from conducting, participating in, or otherwise taking any action, or ordering any employee, contractor, or agent to conduct, participate, or take any action in furtherance of any investigation of any Louisiana College faculty member, staff member, or employee.” *See* Exhibit S, Resolution of Board of Trustees dated March 1, 2013.
22. March 11, 2013—our firm responds to Terrance Hoychick, Dr. Aguillard’s attorney, letter dated March 1, 2013 and requests to interview Dr. Aguillard concerning the aforementioned allegations. We are informed on March 13, 2013 that Dr. Aguillard will not be able to attend the interviews.

FINDINGS OF FACT

The following statements are findings of fact that are corroborated by various reports, correspondence, and other miscellaneous documentation.

1. Dr. Aguillard did in fact visit Tanzania in October of 2011, as indicated by his correspondence Dated October 17, 2011 to the Tanzanian President stating that Louisiana College had “developed a master plan that will build a secondary school/athletic academy for the children of Tanzania.” *See* Exhibit C, letter from Dr. Aguillard dated October 17, 2011. Dr. Aguillard also stated that he had investors ready, which, from our investigation, appears to have been untrue.
2. Edgar Cason did in fact inform Dr. Aguillard during their first meeting that the while the Casons were interested in investing in the College, they had no desire to invest in “brick and mortar,” i.e., new buildings. The Cason’s position concerning “brick and mortar” has never changed from the beginning. *See* Exhibit B, Cason Report.
3. Edgar Cason did in fact inform Dr. Aguillard in the fall of 2011 that he “didn’t know if [the Casons] would ever financially support any part of the Tanzania project.” *See* Exhibit B, Cason Report.

4. In November of 2011, the Casons did in fact attend presentations on the Caskey School of Divinity. During this meeting, Dr. Aguillard presented a slide show on LC Tanzania, but did not ask for funding for the project. Edgar Cason requested a written proposal of the project, but gave no indication that the Casons would in fact provide funding. See Exhibit B, Cason Report.
5. At this same meeting, Edgar Cason again made it very clear that he had no desire to donate money for the construction of a new campus building. See Exhibit B, Cason Report.
6. Dr. Aguillard did in fact send an email to Dr. Quarles on March 26, 2012 asking Quarles to approve a statement to the Louisiana Baptist Convention that the LC Tanzania Project "will be made possible due in large part to the support of the Caskey family." Dr. Quarles objected to this statement, reminding the President that they needed to secure a definite commitment from the Foundation before announcing that they will fund anything. See Exhibit D, email from Dr. Aguillard dated March 26, 2012.
7. Dr. Aguillard and Dr. Quarles did in fact visit Edgar Cason in his home in September of 2012. During this meeting, Dr. Aguillard showed Mr. Cason a drawing of the proposed Divinity School building which had been altered to include the Pressler School of Law. He informed Mr. Cason that "[h]e just wanted our blessing on sharing a building with the law school." Mr. Cason assumed that the building in Shreveport would be sold and the proceeds used to fund the new building at Louisiana College. See Exhibit B, Cason Report.
8. Dr. Aguillard sent an email to the LC Board of Trustees on September 7, 2012 noting that a "very large donation" had been made to Louisiana College "only if we bring the Law School back to the Pineville Campus." We have been unable to locate evidence of any donation reference in that email. At this point in time, we do not believe that such a donation ever existed. See Exhibit E, email from Dr. Aguillard dated September 7, 2012.
9. On September 11, 2012, Dr. Aguillard sent an email to Cason Foundation Board members describing the College's activities in Tanzania. Dr. Aguillard states in this email that the trip and work was being sponsored by Joe Ricketts of Opportunity Education. See Exhibit F, email from Dr. Aguillard dated September 11, 2012.
10. In October of 2012, Edgar Cason was provided a financial report showing expenditures of the Caskey School. He was alarmed that almost \$60,000.00 of

the Foundation's money had been spent on LC Tanzania since he had never made a commitment to financially support the project. *See Exhibit B, Cason Report.*

11. On October 9, 2012, Dr. Aguillard sent a letter to the Caskey Foundation, attaching a financial report to show how Foundation money was being spent. Dr. Aguillard notes that \$135,000.00 of Caskey Foundation money has been earmarked for expenditure on the Tanzania Project, which included nearly \$60,000.00 that had already been spent on legal fees, travel and two suits totaling \$1,000 each purchased by Aguillard while in Tanzania. *See Exhibit G, correspondence from Dr. Aguillard dated October 9, 2012.*
12. Dr. Aguillard released a statement claiming, "Given the offer of a \$10 million gift in the form of the building to concurrently house the Divinity and Law Schools on the main campus, we will consider the viability of moving the Law School back to the LC campus as was originally planned." *See Exhibit H, statement of Louisiana College, undated.*
13. Dr. Aguillard received a letter from the Cason Foundation dated October 17, 2012 which unequivocally stated: "funds from the Cason Foundation are not to be used for the Tanzania Mission Project," and "[t]here are no plans on the part of The Cason Foundation to build [joint Divinity/Law building] or to be financially engaged in any way in the Pressler School of Law." These statements are consistent with previous expressions from the Cason Foundation that in no way did they financially support these projects. *See Exhibit I, correspondence from Cason Foundation dated October 17, 2012.*
14. Dr. Aguillard sent an email to the LC Board of Trustees on December 7, 2012 noting that the Caskey Foundation had a "change in brick and mortar plans," as well as noting a cessation from the building project. Dr. Aguillard attached to this email a heavily redacted version of the October 17, 2012 letter wherein he removes the words "funds" and "Cason Foundation." *See Exhibit J, email from Dr. Aguillard dated December 7, 2012.*
15. On December 8, 2012, Drew Landry of the Cason Foundation did in fact send Dr. Aguillard a letter which stated that the Foundation wanted to make sure that the recent gift of \$500,000.00 was to be used only for the Caskey School of Divinity and that neither the Cason Foundation, nor Edgar and Flo Cason, believed they should be investing in the Tanzania Mission or building a facility on the campus to house the Caskey School of Divinity. *See Exhibit K, correspondence from Cason Foundation dated December 8, 2012.*

16. On December 12, 2012, Dr. Aguillard received another letter from the Cason Foundation, which stated that the Foundation believed the use of \$60,000.00 of Foundation resources was “without authorization or approval and is beyond the Mission/Vision, Goals, and Implementation of the Restricted Agreement related to the operation of the Caskey School of Divinity.” The Foundation further requested full reimbursement of the \$60,000.00. The financial report given to Mr. Cason is misleading because it fails to detail or explain that the “legal fees” were for LC Tanzania. It also fails to explain that approximately \$2,000.00 of those funds were used by Dr. Aguillard to purchase two suits. *See Exhibit L, correspondence from Cason Foundation dated December 12, 2012.*
17. Edgar Cason received an undated statement which Dr. Aguillard hand-delivered and intended to have returned via courier that same day, asking him to sign and approve after the fact the charges for legal fees and other expenses for LC Tanzania. *See Exhibit M, correspondence sent to Edgar Cason, undated.*
18. On December 13, 2012, Edgar Cason provided a written statement to Chairman Gene Lee chronicling the history of his dealings with Dr. Aguillard, specifically stating that on October 17, 2012, Dr. Aguillard was instructed that Cason Foundation funds were not to be used for the Tanzania Project or for constructing a building to house the Caskey School or Divinity and the Pressler School of Law. This letter also specifically states “no commitments were ever made to Dr. Aguillard expressing support for, nor in any way promising financial commitments to the Tanzania project or any building projects at Louisiana College. **Any statements he made to that effect were based on his desires, not our commitments or convictions.**” *See Exhibit B, Cason Report.*
19. On January 10, 2013, Drew Landry of the Cason Foundation received an email from Chairman Gene Lee regarding a recent conversation with Dr. Aguillard. Chairman Lee inquired if Mr. Landry had indicated to Dr. Aguillard that he did not trust Dr. Quarles. Mr. Landry replied that he had never said those words. He also indicated that he understood a \$500,000.00 donation was being returned to the Cason Foundation as per the request of Mr. Cason, pending the outcome of Chairman Lee’s investigation into Dr. Aguillard (and not contingent on any investigation into Dr. Quarles as suggested by Dr. Aguillard in correspondence to Chairman Lee). *See Exhibit N, email from Drew Landry dated January 10, 2013.*

CONCLUSIONS

Before addressing the aforementioned Findings of Fact, we again want to make it abundantly clear that our investigation has been limited to the three allegations leveled against President Aguillard by Dr. Quarles. We have conducted no investigation, and do not make material conclusions, regarding the actions of President Aguillard against Drs. Lister, Hiles, and McFadden. Neither do we opine as to the propriety of President Aguillard's actions concerning SACS accreditation, nor any other allegation of wrongdoing on his part. This investigation is strictly limited to President Aguillard's alleged misrepresentations to the Board of Trustees concerning donated funds, as well as his alleged misappropriation of donated funds for use on LC Tanzania.

Based on the above referenced facts and information, it is our belief that President Aguillard engaged in numerous improprieties and falsities in his representations not only to school donors, but to the Board of Trustees. As the Cason report and numerous other documents indicate, at no time did the Cason family ever commit to either funding the LC Tanzania Project or constructing a new building on campus. In fact, the Cason Foundation specifically instructed President Aguillard by letter dated October 17, 2012 that Cason Foundation funds were not to be used for the Tanzania Project or for constructing a building to house the Caskey School or Divinity and the Pressler School of Law. The fact that the Casons affirmatively and unequivocally stated that their donations were not to be used on LC Tanzania, nor for any capital expenditure completely discredits any claim by President Aguillard that the Cason's had a change of heart concerning their projects and directives.

Furthermore, there is no evidence to support Dr. Aguillard's claim that the Casons had donated a \$10 million gift in the form of the building to concurrently house the Divinity and Law School on the main campus. Dr. Aguillard's statement to this fact is in actuality conclusively false. In fact, Edgar Cason made it abundantly clear on several occasions that he had no interest in investing in "brick and mortar." These statements should have put him on notice that the Cason Foundation was not and would not be contributing for the construction of a new campus building. However, Dr. Aguillard made several statements to the Board of Trustees that this money had been offered to the College for the purpose of a new campus building. During the December 4, 2012 meeting of the Board, Dr. Aguillard made no attempt to correct Mr. Gilbert Little's presentation concerning the supposed existence of these funds. He later claimed that he simply forgot to tell Mr. Little that these funds were actually not available. It was only through the intervention of Dr. Quarles that the Board was prevented from making a decision based on blatantly false information.

Dr. Aguillard not only made material misrepresentations to the Board of Trustees, but he also misappropriated almost \$60,000.00 from the Cason Foundation to fund LC Tanzania. This was done in spite of strict instructions from Mr. Cason that he

had no desire to fund this project. After confronted about this misappropriation, Dr. Aguillard attempted to mislead his previous action by seeking the Cason's approval of an undated statement to approve the use of the funds for LC Tanzania. Understandably, Mr. Cason refused to sign this statement as he was not willing, and had never been willing, to fund this project.

Our investigation confirms the whistleblower complaints of Dr. Chuck Quarles and Dr. Tim Johnson, and corroborates the Cason's statements. In light of the information that we have to date, we find that (1) Dr. Aguillard intentionally misled the Louisiana College administration, the Board of Trustees, and donors regarding a \$10 million pledge from the Cason Foundation, (2) Dr. Aguillard misappropriated Caskey School of Divinity funds for expenses related LC Tanzania and attempted to hide that misappropriation, and (3) Dr. Aguillard intentionally misled the Louisiana College Board of Trustees and Louisiana College donors regarding promised funding for LC Tanzania.

Dr. Aguillard's employment contract contains a termination clause that provides for termination of his contract on the following grounds: (1) final determination by the Board of Trustees that Dr. Aguillard has engaged in professional or moral misconduct as determined by the sole discretion of the Board of Trustees; (2) an act or acts of personal dishonesty taken by Dr. Aguillard; and (3) if any representation by Dr. Aguillard to the College is materially untrue and Dr. Aguillard knew or should have know the representation was untrue. Based on the actions and misrepresentations of Dr. Aguillard, it is our opinion that the Board of Trustees has more than enough evidence to terminate Dr. Aguillard's contract on any of these three grounds. Professional demeanor notwithstanding, Dr. Aguillard has engaged in falsehoods and misrepresented material information to the Board of Trustees on countless occasions. While it is not our role to recommend to the Board outright that Dr. Aguillard be terminated, we do strongly advise that there is more than enough evidence for such termination to occur.

We attempted to schedule interviews with Dr. Aguillard on numerous occasions, all of which he refused to attend. It is our opinion that based on similar instances involving civil litigation that a negative inference may be drawn against a party who refuses to testify. In our opinion, the refusal of Dr. Aguillard to cooperate in an investigation creates a similar presumption and inference as to the truthfulness of the allegations made against him. Dr. Aguillard also refused to identify any person with whom he discussed these whistleblower complaints (the whistleblower policy requires absolute confidentiality).

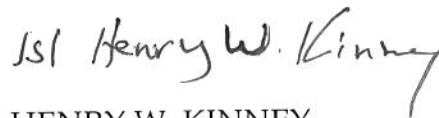
It should be further noted that we have never met Dr. Aguillard and that we have no interest in any particular outcome concerning Dr. Aguillard's position as president of Louisiana College. We further note that our sole charge and motivation

has been to conduct an objective, third party review of the truthfulness of the allegations made in the whistleblower reports submitted to Chairman Lee and to assist the chairman in fulfillment of his duties and obligations to Louisiana College.

This correspondence and report should also remain confidential within the Board of Trustees.

It is our understanding that Mr. Edgar Cason will be present at the March 19, 2013 meeting of the Board of Trustees at 10:00 a.m. to corroborate the foregoing as it relates to him and the Cason Foundation.

Sincerely,

A handwritten signature in cursive script that reads "H. Henry W. Kinney". The signature is written in dark ink and is positioned above the printed name.

HENRY W. KINNEY