

GRIEVANCE AGAINST USA SHOOTING, INC.

To the Secretary of USA Shooting, Inc.:

The undersigned members of USA Shooting, Inc. ("USAS") hereby file this grievance (the "Grievance") pursuant to Article XXV, section "L" of the Bylaws of USAS, and respectfully state as follows:

INTRODUCTION

This Grievance is filed with (and against) USAS on account of USAS's failures to comply with:

- 1) certain membership requirements for National Governing Bodies as mandated by the Ted Stevens Olympic and Amateur Sports Act, Title 36 U.S.C. Sections 220501, *et seq.* (the "Sports Act");
- 2) certain Bylaws of the USOC applicable to NGBs;
- 3) certain Governance Guidelines for NGBs adopted by the USOC Board of Directors in April, 2005; and
- 4) a number of USAS's own Bylaws, updated as of February 17, 2012.

It is Grievants' position that, as a result of the foregoing, detailed below, the USAS Board of Directors must be reconstituted with at least 20% "independent directors" who, together with 20% athlete directors and following the election of other directors who will serve in accordance with term limits, will hire a CEO who is willing and able (and permitted by the Board) to bring USAS into compliance with the Sports Act, USOC Bylaws and Governance Guidelines, and develop a strategic plan to put USAS on a secure financial footing.

Failing that, USAS will continue to suffer as an organization, and USAS athletes will continue to be severely disadvantaged in their efforts to effectively and successfully compete at the international level, including at the upcoming 2016 Rio Olympics.

GROUNDNS and EVIDENCE OF NONCOMPLIANCE

- I. **April 10, 2015 Grievance:** Grievants respectfully incorporate by reference, and make a part hereof, the Grievance dated and filed April 10, 2015 (copy attached hereto as Exhibit "A") as if fully set forth at length herein.

II. General Requirements:

- A. **The Sports Act** requires USAS, in order to continue to be recognized by the USOC as the NGB for sport of shooting in the United States, to comply with the eligibility requirements of Section 220522(a) of the Sports Act. As detailed below, USAS does not comply with certain of the requirements of Section 220522(a) of the Sports Act.
- B. **USOC Bylaws:** Section 8.3 of the USOC Bylaws provides that "no amateur sports organization is eligible... to continue to be recognized as an Olympic Sport NGB, unless it complies with Sections 220522 through 220525 of the [Sports] Act." As detailed below, USAS does not comply with a number of these sections of the Sports Act.
- C. **The USOC Governance Guidelines** state that NGBs "must comply with all the requirements for membership as defined in the Ted Stevens Olympic and Amateur Sports Act, USOC Bylaws, and any USOC Board policies." In addition to not complying with sections of the Sports Act, USAS does not comply with a number of Bylaws of the USOC applicable to NGBs and policies of the Board as set forth in the Governance Guidelines for NGBs established by the USOC Board in April 2005.
- D. **USAS Bylaws:** It is axiomatic that USAS must comply with its own Bylaws. As detailed below, USAS does not so comply.

III. Specific Violations by USAS of the Sports Act, USOC Bylaws / Governance Guidelines and USAS's own Bylaws.

- A. **USAS fails to comply with the athlete representation requirements of Section 8.8 and 8.8.1 of the USOC Bylaws.**

Section 8.8 of the USOC Bylaws provides that in order to fulfill its membership obligations as an NGB, and be considered a member in good standing, the NGB must comply with certain athlete representation requirements. Among them is the requirement that there be 20% “athlete representation” (as defined in USOC Bylaw Section 8.8.2) on committees that “prepare [and] approve programs” that select “international, Olympic, Paralympic and Pan American Games Team athletes, coaches, administrators and sports staff” and that expends funds allocated to the NGB by the USOC. (See USOC Bylaw 8.8.1 (a) and (b)). USAS fails to permit the 20% athletes on these “Designated Committees” from having meaningful input into the actual “preparation” of selection criteria (it merely seeks athlete approval after the fact, and on short notice, thereby making meaningful consideration by the athlete reps nearly impossible; see below); and USAS rarely seeks input from the 20% athlete reps regarding how USAS proposes to expend funds allocated to USAS by the USOC, thereby failing to fulfill the intended purposes of Section 8.8.1 of the USOC Bylaws.

B. Section 220524(3) of the Sports Act provides that an NGB “shall ... reasonably reflect the views of the athletes in its policy decisions.”

Contrary to the mandate of Section 220524(3) of the Sports Act which provides that an NGB “shall” reasonably reflect the views of athletes in its policy decisions,” the ED-CEO has made it known to the 20% elected athlete reps on the USAS Board and Executive Committee that the athletes’ votes “do not count” because the others on the Board and Executive Committee outnumber and can out vote them. By his words and actions, and those who follow the lead of the ED-CEO, the athletes’ voice in USAS’s committees indeed often “do not count”. For example, as noted above, the elected athlete board representatives are rarely permitted to provide input in the actual preparation of the selection criteria, and are often not permitted sufficient time to provide meaningful input to the proposed final criteria, on account of the delay by staff in preparing the criteria, notwithstanding repeated requests made by staff to the USOC for extensions of time submit criteria for approval by the USOC beyond the date set by the USOC for the submission of such criteria.

C. The President and the ED-CEO act in complete disregard of certain Bylaws of USAS.

No bylaw or citation of law is needed for the simple proposition that the President and Executive Director may not act contrary to the stated bylaws; nor may they act without authority of the Board of Directors, when Board approval is mandated. Yet they both do. For example:

- (1) USAS Bylaw Article XI.D: The President of USAS has purported to cancel the duly-authorized and noticed special meeting of the Board of Directors called by six directors to take place on May 13, 2015;**
- (2) USAS Bylaw XI.W: The President and Executive Directors have refused to schedule a vote on whether the term of a Board member whose membership on the Board has expired on account of term limits, should be extended; and**
- (3) USAS Bylaw XVI.B: The President of USAS has wrongfully purported to “hire” and “retain” special legal counsel, without Executive Committee or Board authorization.**

The failure of the President of USAS and its Executive Director to follow the requirements of USAS Bylaws is not the result of just some sloppy administrative oversight. The failures to comply with these bylaws were and are purposeful. The ED-CEO has candidly admitted, in response to a complaint by a Board member: “We don’t follow our bylaws.”

D. The USOC Governance Guidelines state that “NGBs must be ... operationally transparent....” In addition, Bylaw Article XI, at Subsection “J” states that “minutes of the meetings of the Board of Directors, other than matters addressed in executive session, shall be made available upon request of any member through the offices of the CEO, at a nominal cost for copying.”

USAS is not operationally transparent. While most NGBs seek to comply with the USOC’s transparency requirement by posting minutes of its Board of Director meetings (a minimum of minutes of the three most recent meetings) on its website, USAS does not post minutes of any of its Board or Director or its Executive Committee meetings on its website. In

addition, the USAS Executive Committee has, until recently, operated in secrecy with minutes of their meetings only infrequently distributed to the Board. In addition, the Executive Director and Secretary of USAS have not complied with a request of a Board member to be provided minutes of prior meetings of the Board, in violation of Article XI.J of USAS Bylaws. Despite the outward trappings of transparency in the Bylaws which provide that “guests” are permitted “and encouraged” to attend meetings of the Board of Directors, no advance notice is provided to members of the USAS of such meetings so that they may make arrangements to attend.

E. The USOC Governance Guidelines discourage entirely constituent – based Board membership, and provide that “NGB boards should have at least 20% independent directors...”

The USAS Board is almost 100% constituent based, and there are no “independent” members of the board (as that term is defined at Section 3.4 of the USOC Bylaws). The failure and refusal of USAS to comply with this widely accepted “best practice” for Not-For- Profits, deprives USAS from having on its Board the independent judgment of seasoned and experienced individuals with substantial corporate governance backgrounds and possible access to significant financial resources needed to support the mission of USAS.

F. Lack of reasonable representation of Females on the Board.

The Sports Act provides (section 220522(a)(9)) that members of the Board of Directors are to be selected “without regard to ... sex...” ; and USAS Bylaw Article XI.A provides that “the Board shall have reasonable representation of both males and females.” Historically, females have been under-represented on the Board, and unreasonably so. This failure to include “reasonable representation” of females on the Board in a sport where so many females represent and compete for the United States at the Olympic and Pan American Games, not only constitutes a violation of the USAS bylaws and reflects poorly on USAS as an NGB, but it also deprives the Board of extremely talented and experienced individuals who would be willing to serve on the Board and able to contribute in significant ways to USAS.

G. The USOC Governance Guidelines state that an NGB should be “staff managed and board governed.”

Contrary to this USOC Governance Guideline, USAS’s Bylaws provide that the USAS Executive Committee shall “*have the authority and responsibility for administrating the business, routine affairs and other activities of USA Shooting between the meetings of the Board...*” (the implication being that the Board shall have that same authority when it meets). Any NGB which has bylaws which mandate that its governance board shall “administer” the “business” and “routine affairs” of the NGB, such as USAS does, is not in compliance with this Governance Guideline or generally accepted best practices for Not- For- Profits.

H. The USOC Governance Guidelines state the “the role of management and the role of governance should be clearly defined.

The USAS bylaws do not provide for a clear delineation between the governance role of the board and the management role of the ED-CEO and staff. The result is USAS is that the roles of governance and management are intertwined, with the board playing a larger role in management than it should (see next point) A clear and salient example of this discouraged overlap of responsibilities between the Board and staff is the fact that the ED-CEO of USAS is a voting member of the USAS Board of Directors, the very group which should be independently monitoring the ED-CEO’s leadership ability as it impacts organizational performance.

I. The USOC Governance Guidelines state that an NGB “should be governed by a board which shall have sole responsibility for governance.”

USAS is in violation of this Governance Guideline in that the USAS Board of Directors “sole responsibility for governance” is seriously undercut and diminished by the existence of an Executive Committee. USAS’s Executive Committee essentially denudes the USAS Board of its intended governance authority and responsibilities. USAS Bylaws provide that the USAS Executive Committee “shall have the authority of the Board to take all actions on behalf of USA Shooting, which might otherwise be taken by the Board ... between the meetings of the

Board....” This, by itself, denies the Board of the authority over matters it is supposed to consider and act on, as the highest governance board of the USAS. But the USAS Executive Committee exceeds even that improperly granted bylaw authority in that it also meets right before the twice- a - year meetings of the Board. At these pre-Board meetings, the Executive Committee determines what it wants the Board to consider, and then votes on those very agenda items before the Board meets in order to “recommend” to the Board how the Board should vote. As a result of the foregoing, the existence in USAS of an Executive Committee, and the particular role it plays in USAS, deprives the full Board of its rightful role to be “solely responsible” for the governance of the NGB. It must also be noted that the USAS Bylaws also deny the Board one of the most important responsibilities normally carried out by a Board of Directors, and that is to hire, evaluate and fire the Chief Executive Officer of the NGB. That authority and responsibility is granted to the USAS Executive Committee, again seriously undercutting the Board’s “sole responsibility of governance.”

- J. The USOC Governance Guidelines state that an NGB “must” have an “Audit Committee (which shall also have responsibility for ethics matters unless ethics issues are addressed by another committee).”**

USAS does not comply with this Governance Guideline, in that it has no Audit Committee (either standing or ad hoc); and there is no other committee within USAS which has the stated responsibility for ethics matters.

- K. The USOC Governance Guidelines state that an NGB “must” have a “Compensation Committee.”**

USAS has no such standing committee.

- L. The USOC Governance Guidelines state that an NGB “must” have a “Nominating & Governance Committee.”**

USAS has no such standing committee. While the USAS Bylaws at Article XI.M mention a Nominating Committee appointed by “the Chairman” for the purpose of the selection of At-Large Directors, and Article XIII.A of the USAS Bylaws makes reference to a standing

Nominating Committee “appointed by the President,” the USAS Bylaws do not set forth the duties and responsibilities of the Committee, including whether it has any governance authority or functions.

M. Section 220522(a)(13) of the Sports Act states that an NGB must “provide procedures for the prompt and equitable resolution of grievances of its members.”

USAS fails to provide procedures in its Bylaws for the “prompt” and “equitable” resolution of grievances of its members. Instead, USA’s grievance procedures are so layered and cumbersome, with a bylaw mandated “investigation” and “mediation” before one even gets to a Hearing, that would takes months and months to resolve even the most factually simple of grievances. In addition, USAS’s grievance procedures have inherent conflicts of interest (There is no standing Grievance Committee in place: a Grievance Hearing Panel is only named by the President in response to the filing of a Grievance. This makes the fair and impartial resolution of a Grievance unlikely, if not impossible, when the Grievance involves alleged wrongdoing by the President or the USAS itself, as does the Grievance herein).

N. Section 220524(1) of the Sports Act provides that an NGB “shall develop interest and participation [in the sport which it governs] throughout the United States”

USAS, as an NGB, fails effectively to promote the participation of athletes in a number of the disciplines competed on the Olympic program. For example, USAS has woefully failed to develop interest and participation in international pistol shooting and has failed to invest funding or time to change this. During the March - April 2015, Spring Selection Match for pistol competitions, USAS could not even field enough participants to fill all 6-positions in the field for the Rapid Fire Pistol final.

O. Section 220524(2) of the Sports Act provides that an NGB “shall minimize, through coordination with other amateur sports organizations, conflicts in the scheduling of all practices and competitions.”

USAS fails to comply with this Sports Act requirement, in that USAS develops its competition schedules in isolation, without first conferring with other shooting organizations which conduct competitions. This results in the creation of conflicts, as opposed to eliminating them.

- P. Section 8.7 “L” of the USOC Bylaws provides that an NGB “shall actively seek, in good faith, to generate revenue, in addition to any resources that may be provided by the [USOC], sufficient to achieve financial sustainability.”**

USAS may claim that it “actively seeks” in good faith to generate revenue “sufficient to achieve financial sustainability” (as an adjunct to the grants it receives from the USOC); but at some point, its claims in that regard cannot be taken seriously. Without USOC funding, USAS programs would not be sustainable, nor capable of achieving the required USOC markers within the High Performance Plan.

As the outside independent auditors of USAS have stated in their annual audits of USAS’s financials, *“The Corporation [i.e., USAS] is economically dependent upon the grants from the USOC in order to maintain its programs at current levels.”* This candid statement by USAS’s own auditors is “Exhibit A” to the point that USAS is not in compliance with USOC Bylaw Section 8.7.L.

- Q. Section 220522(a)(2) of the Sports Act requires an NGB to have “the managerial and financial capability to plan and execute its obligations” under the Sports Act and USOC Bylaws.**

For the reasons set forth in the individual violations set forth above, it is apparent that USAS, as an NGB, lacks the managerial and financial capability to plan and execute its obligations under the Sports Act and USOC Bylaws.

- (1) **Management:** USAS’s ED-CEO “manages” by the use of fear, intimidation and the threat of reprisals; disregards athlete input (and tells them as such); and seeks to solidify his position as a well-paid executive by knowingly failing and refusing to follow USAS bylaws intended to ensure a turnover of (and addition of new) Board members who perhaps would have the independence of mind to objectively evaluate his job performance as ED-CEO. Instead, in

order to ensure his continued employment, the ED-CEO (with the complicity of the President and others on the Executive Committee) disregards USAS bylaws which place terms limits on Board members who he knows will support his continued employment, and those Board members, in return, agree to support the ED-CEO's continued employment. In addition, the ED-CEO is not above threatening board members with reprisals if they do not vote in favor of candidates he favors and initiating reprisals against those who he views as trouble makers.

- (2) **Finances:** There is no need to say anything on this topic, other than simply to repeat what the USAS's own outside independent auditors have already stated in their annual report with respect to the financials of USAS: *"The Corporation [i.e., USAS] is economically dependent upon the grants from the USOC in order to maintain its programs at current levels."* Without ongoing USOC support, it is doubtful that USAS could continue as a "going concern" long term, in view of the deficits that USAS has incurred in recent years. As the ED-CEO candidly stated at a meeting of the USAS Board of Directors on November 2, 2013: "It is recognized that we cannot operate at a deficit budget on a continuing basis."

CONCLUSION

It has reportedly been stated by those who oppose the actions taken by the Grievants to date, that the Grievants desire to "destroy" USAS or wish to "take over USAS." Those individuals, who apparently support the recent wrongful actions of the President and Executive Director of USAS and who are willing to tolerate USAS's wholesale and on-going violations of the Sports Act, USOC Bylaws, and Governance Guidelines, can say whatever they want in their attempt to disparage the motives of the Grievants. However, the Grievants are clear as to the relief they request, which is set forth below.

WHEREFORE: on account of all the foregoing, the Grievants respectfully demand that USAS take prompt and diligent action to cure each and every violation of the Sports Act, USOC Bylaws and

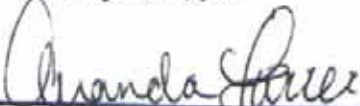
Governance Guidelines, and violations of its own Bylaws, as set forth above.

Note: This Grievance may be signed by the use of two or more separate signature pages, all of which when attached and taken together, shall constitute a single document.

Submitted as of the 25th day of April 2015.



Kim Sanderson



Amanda Aurrer




Lorie Greenwell



Sarah Beard



ERIC USTACHAFF




LTC Bret A. Tecklenburg

 Dustin Taylor

 Austin Odom


M.L.W. Mark L. Weeks

Mary K Weeks Mary K Weeks

 HOLGUIN, JEFFREY

 Staffen, Mark

 RICHMOND, Jeshua

 Hadden, Richard

M.E. Eller, Glenn

 Stewart, Hayden

 INMAN, SETH

 Haldeman, Derek

Corey Cogdell Unrien Corey Cogdell
Unrien

Randal Sean McLelland Randal Sean McLelland

Brian Burrows ~~Abner English~~
Brian Burrows

Halcyon Dunn Halcyon Dunn

Casoy Wallace Casoy Wallace

Lance BADE Lance BADE

Jason Turner Jason Turner

Danet T. Raab Danet T. Raab

The following is a list of the signatories to this document:

Eller, Walton

Sanderson, Keith

Furrer, Amanda

Grunwell, Lisette

Beard, Sarah

Uptagrafft, Eric

Tecklenburg, Bret

Taylor, Dustin

Odom, Austin

Weeks, Mark

Weeks, Mary

Holguin, Jeffrey

Staffen, Mark

Richmond, Joshua

Hadden, Richard

Eller, Glenn

Stewart, Hayden

Inman, Seth

Haldeman, Derek

Cogdell Urein,
Corey

McLelland, Randal
Sean

English, Amber

Burrows, Brian

Dunn, Haley

Wallace, Casey

Bade, Lance

Turner, Jason

Raab, Janet

The aforesaid Grievants reserve the right to revise, supplement and amend this Grievance as additional facts relevant to this Grievance become known to them, and also to further amend this Grievance by adding such other members of USAS who may wish to join as Grievants in this complaint.

Attachment:

Exhibit "A": Grievance dated April 10, 2015

This Grievance has been sent to the Secretary of USAS by certified mail, return receipt requested, with a courtesy copy sent by email to the Secretary of USAS on this 25th day of April, 2015.

Certified as true: Walton Glenn Eller, Jr.
Walton Glenn Eller, Jr.

EXHIBIT "A"

GRIEVANCE

To the Secretary of USA Shooting, Inc.:

We, the undersigned members of the Executive Committee of USA Shooting, Inc., hereby file this written grievance, in the form of a complaint, pursuant to Article XXV, section "L" of the Bylaws of USA Shooting, Inc. ("USAS"), and respectfully allege as follows:

1. The President of USA Shooting (perhaps in concert with others, "John Doe Nos. 1,2,3,etc.") violated USAS bylaws by making decisions beyond the scope of his duties and authority, and which require a vote of the USAS Executive Committee or the Board of Directors.
2. More to the point, the President of USAS is not authorized to hire / retain special legal counsel without the authorization of the USAS Board or the Executive Committee.
 - a. Article XVI.B of USAS Bylaws reads as follows: "Special Legal Counsel: The Board or the Executive Committee may authorize the hiring of special legal counsel as may be required from time to time as such fees and compensation as agreed upon."
3. Notwithstanding the foregoing, and in disregard of the USAS Bylaws regarding the retention of legal counsel, James Lally did the following:
 - a. In an email on April 7, 2015 (attached), James Lally stated that "Bryan Cave is the independent law firm that

we have retained for the code of conduct situation. They will review the allegations, investigate the situation, state their findings and their recommendations.” [Emphasis supplied];

- b. In a letter dated April 8, 2015 (attached), James Lally wrote that “ Secretary Kinsey Robinson will administer ... actions with the advice of independent counsel Bryan Cave who [sic] has been engaged to review matters and provide advice and recommendations regarding how to proceed.” [Emphasis supplied];
 - c. However, neither the USAS Executive Committee, nor the USAS Board of Directors, ever “authorized” the hiring / retention of Bryan Cave as legal counsel;
 - d. Nor did the USAS Executive Committee or the USAS Board ever authorize the hiring of Bryan Cave (or any law firm) “at such fees and compensation as agreed upon.”
4. Furthermore, the law firm Bryan Cave, had access to the Bylaws of USAS prior to any purported hiring /retention by James Lally, including Article XVI of the USAS Bylaws, and knew (or should have known) that James Lally had no authority to retain it or any other law firm without the authorization of the USAS Executive Committee or USAS Board; and if Bryan Cave did not know, it was negligent in failing to perform the due diligence required of a sophisticated national law firm to determine if James Lally indeed had the authority to hire /retain the law firm on

behalf of USAS, without the authorization of the USAS Board or Executive Committee.

5. By his actions, President of USAS (perhaps in concert with others whose identities are at this point unknown to the undersigned Grievants and referred to herein as "John Doe Nos.1, 2, 3, etc.") acted knowingly and wrongfully and in violation of USAS Bylaw Article XVI.

WHEREFORE: on account of the foregoing, the undersigned Grievants respectfully demand the following relief:

- a) That any purported hiring /retention of the law firm Bryan Cave be declared null and void and of no effect;
- b) Should Bryan Cave bring an action or otherwise insist that any purported retention of it by USAS by James Lally is valid and that it is owed monies on account thereof, that the defense of such action or claim be the personal liability of James Lally (and any others acting with him) on account that he /they acted without authorization of the USAS Executive Committee or Board); and
- c) That Grievants be granted such other, further and different relief as may be deemed just and proper under the circumstances.

This Grievance may be signed by use of two or more separate signature pages, all of which when attached and taken together, shall constitute a single document.

Signed and dated as of the 10th day of April 2015:

Mary Welch

Wallon Glenn Eller Jr.
Wallon Glenn Eller Jr.

The aforesaid Grievants reserve the right to revise, supplement and amend this Grievance as additional facts relevant to this Grievance become known to them, and also to further amend this Grievance by adding such other members of USAS who may wish to join as Grievants in this complaint.

Attachments: James Lally email to LTC Bret Tecklenburg from April 7, 2015 and the James Lally letter to the Board of Directors from April 8, 2015

This Grievance has been sent to the Secretary of USAS by certified mail, return receipt requested, with a courtesy copy sent by email to the Secretary of USAS on this 10th day of April, 2015.

Certified as true: Wallon Glenn Eller Jr.
Wallon Glenn Eller Jr.