



COMMONWEALTH of VIRGINIA

Office of the Attorney General

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February 15, 2023

**VIA ELECTRONIC AND
FIRST-CLASS MAIL**

Kevin DeKoninck, CPA, MBA
Executive Director
MHC Academic Foundation
P.O. Box 492
Martinsville, VA 24114
kdekoninck@ncfmhc.org

Dear Mr. DeKoninck:

I write to respond to your February 8, 2023 communication in which you propose to move forward with a Memorandum of Understanding (“MOU”) between the Foundation and New College Institute. Intervening events warrant pausing that dialogue until certain other matters are resolved.

New College Institute received your February 8, 2023, email in which you provided a link to the recent press release detailing the reorganization of the New College Foundation (“NCF”) and the renaming of the NCF to MHC Academic Foundation (“MHCAF”), effective February 7, 2023. Under its original Articles of Incorporation, NCF was organized and established under Internal Revenue Code § 501(c)(3) for the specific purpose of “provid[ing] financial support and other support to New College Institute.” In contrast, the Amended and Restated Articles of Incorporation filed with the State Corporation Commission effective February 7, 2023, changed MHCAF’s purpose so that it would “not [be] limited to [] support for the NCI.” This change in purpose requires discussion, as well as clarification regarding the funds raised, endowed, or held for NCI’s benefit prior to February 7, 2023. In our view, such restricted funds may not properly be distributed for the benefit of any other organization.

Accordingly, NCI asks MHCAF to provide written assurance that it will not distribute funds the organization held prior to February 7, 2023, to the benefit of any organization or entity other than NCI, nor take any action inconsistent with its obligations under law, including the Virginia Uniform Prudent Management of Institutional Funds Act (the “Act”), Va. Code § 64.2-1100 et seq. NCI asks that this written assurance be provided **no later than 5:00 p.m. on February 21, 2023**, and that it be transmitted to Christina Reed, Interim Executive Director of NCI (creed@newcollegeinstitute.org), with a copy to me.

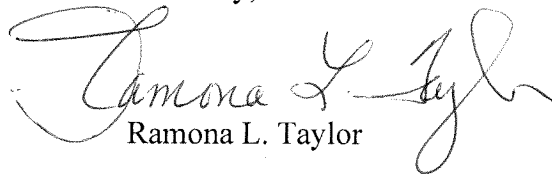
Kevin DeKoninck
February 15, 2023
Page 2

If MHCAF is represented by counsel in this matter, please share this letter with the Foundation's attorney, who is welcome to contact me. Whether or not Foundation counsel is involved, NCI remains firm in its request for the written assurance described above.

If MHCAF fails to provide the requested assurance, or if MHCAF otherwise fails to comport with the requirements of the Act, the Office of the Attorney General of Virginia stands ready to protect the interests of NCI, the Commonwealth of Virginia, and its citizens.

Your prompt attention to this matter is requested. Please do not hesitate to contact me if you have any questions. I look forward to hearing from you.

Sincerely,



Ramona L. Taylor

CC: Richard Stanley, Vice Chairperson, New College Institute, Board of Directors
Christina Reed, Interim Executive Director, New College Institute
Simone Redd, Chairperson, MHC Academic Foundation