





TO: Cultural Education Committee

FROM: Daniel Morton-Bentley 

SUBJECT: "Friends of LongHouse," Represented by Susan R. Gelman, Steven Felsher, Regina Sender Levin, Jane Johnson, Julie Jensen, Carole Rosenberg, and Marcia Wilson vs. Dianne Benson, Nina Gillman, Derick George, Deborah Nevins, Mark Levine, James Zajac, Alexandra Munroe, Sherri Donghia, Richard Dranitzke, Ayse Kenmore, Peter Olsen, and Suzanne Slesin as Trustees of LongHouse Reserve

DATE: June 8, 2023

AUTHORIZATION(S): 

SUMMARY

Issue for Decision

Should the Cultural Education Committee, after consultation with Counsel, recommend to the full Board of Regents to hold a hearing pursuant to Education Law § 226 (4) on the application of the representatives of the "Friends of LongHouse" to remove Dianne Benson, Nina Gillman, Derick George, Deborah Nevins, Mark Levine, James Zajac, Alexandra Munroe, Sherri Donghia, Richard Dranitzke, Ayse Kenmore, Peter Olsen, and Suzanne Slesin from their official positions as Trustees of LongHouse Reserve, and for other relief.

Reason(s) for Consideration

Required by State statute (Education Law § 226 [4]) and Regents Rules (8 NYCRR § 3.31).

Proposed Handling

The question will come before the Cultural Education Committee for recommendation and to the Full Board for action at the June 2023 Board of Regents meeting.

Background Information

The Regents may remove any trustee of a corporation created by them for misconduct, incapacity, neglect of duty, or where it appears to the satisfaction of the Regents that the corporation has failed or refuses to carry into effect its educational purposes (see Education Law § 226 [4]). The procedures for such actions are contained in the Rules of the Board of Regents (8 NYCRR 3.31).

LongHouse Reserve is an education corporation located in the Town of East Hampton and the County of Suffolk that received a provisional charter from the New York State Board of Regents on July 18, 2002, and an absolute charter on November 19, 2013. LongHouse Reserve is the surviving corporation resulting from a July 18, 2002, order of consolidation, which consolidated the education corporation with a New York State Department of State entity known as LongHouse Reserve Ltd., formed on December 16, 1991, as The LongHouse Foundation, Inc. The purposes for which LongHouse Reserve were formed include the establishment, operation, preservation and maintenance of an arboretum, sculpture garden and art museum in East Hampton, New York.

Petitioners, a collection of individuals who comprise “the Friends of LongHouse,” commenced this proceeding seeking the removal of respondents as trustees of the LongHouse Reserve based on allegations that the trustees made corporate decisions contrary to the corporate purposes of LongHouse Reserve; undermined relationships with donors and community members; unreasonably fired long-term employees; failed to fulfill their fiduciary duties by not investigating the validity of a change to an estate document; and placed certain personal relationships and interests over their fiduciary duties. Petitioners argue that respondents have engaged in a “pattern of improper behavior in disregard of their fiduciary duties to LongHouse [Reserve] which directly impacts their ability to carry out LongHouse [Reserve]’s educational purposes.” Most respondents answered the Petition, denying the allegations and requesting that the Board of Regents dismiss the petition.

Related Regents Items

Not applicable.

Recommendation

It is recommended that, pursuant to § 3.31 (t) of the Rules of the Board of Regents, following consultation with Counsel, one of the following actions be proposed to the Full Board of Regents with respect to this matter:

Resolution A:

VOTED: That the Board of Regents determines that a hearing in this matter is not required and dismiss the petition in its entirety, pursuant to § 3.31 (t) of the Rules of the Board of Regents. Petitioners have sought relief not available under Education Law

§ 226 (4), and petitioners have alleged facts which, even if proven true, would not warrant removal under Education Law § 226 (4).

Resolution B:

VOTED: That the Board of Regents determines that a hearing in this matter is required, and that the Board of Regents shall convene a hearing panel, pursuant to Education Law § 226 and § 3.31 (u) of the Rules of the Board of Regents.

Timetable for Implementation

The Cultural Education Committee's recommendation will come before the full Board of Regents for action at this meeting. If the Committee and full Board of Regents adopt "Resolution A," no hearing will take place and the petition will be dismissed. This decision of the Board of Regents, as annexed to the Cultural Education Committee Report, shall be in writing and shall constitute the final determination of the Board of Regents.

If the Committee and full Board of Regents adopt "Resolution B," the Department will schedule a hearing in this matter in accordance with § 3.31 (u) of the Rules of the Board of Regents.