

IN THE CIRCUIT COURT
THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

ANNE SCHLAFLY CORI, as a Director and the Executive Director of Eagle Forum,)
)
)
EUNIE SMITH, as a Director, the First Vice President and the acting President of Eagle Forum,)
)
)
CATHIE ADAMS, as a Director and the Second Vice President of Eagle Forum,)
)
)
CAROLYN McLARTY, as a Director of Eagle Forum,)
)
)
ROSINA KOVAR, as the At-Large Director of Eagle Forum,)
)
)
and)
)
)
SHIRLEY CURRY, as a Director of Eagle Forum,)
)
)
Plaintiffs,)
)
v.)
)
)
EDWARD R. MARTIN, JR.,)
Serve at: 1519 Indian Hill Lane)
Ballwin, MO 63021)
)
)
JOHN F. SCHLAFLY,)
Serve at: 322 State Street, Suite 301)
Alton, IL 62002)
)
)
Defendants,)
)
)
and)
)
)
EAGLE FORUM, an Illinois Not For Profit Corporation,)
Serve: Registered Agent)
322 State Street, Suite 301)
Alton, IL 62002)
)
)
Nominal Defendant.)

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CLERK OF CIRCUIT COURT #8
THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

Cause No.:

DECLARATORY AND
INJUNCTIVE RELIEF SOUGHT

VERIFIED COMPLAINT

Plaintiffs Anne Schlafly Cori, as a Director and the Executive Director of Eagle Forum; Eunie Smith, as a Director, the First Vice President and the acting President of Eagle Forum; Cathie Adams, as a Director and the Second Vice President of Eagle Forum; Carolyn McLarty, as a Director of Eagle Forum; Rosina Kovar, as the At-Large Director of Eagle Forum; and Shirley Curry, as a Director of Eagle Forum, by their attorneys, Spencer Fane LLP, and for their cause of action against Defendants Edward R. Martin, Jr.; John F. Schlafly and Eagle Forum, state as follows:

INTRODUCTION

1. Eagle Forum (the “Eagle Forum 501(c)(4)”) is a corporation formed under the Illinois General Not For Profit Corporation Act. The Eagle Forum 501(c)(4) is recognized as a tax-exempt nonprofit organization under 26 U.S.C. § 501(c)(4).

2. Eagle Forum Education and Legal Defense Fund (the “Eagle Forum 501(c)(3)”) is a corporation formed under the Illinois General Not For Profit Corporation Act. The Eagle Forum 501(c)(3) is recognized as a tax-exempt nonprofit organization under 26 U.S.C. § 501(c)(3).

3. The Eagle Forum 501(c)(4) and Eagle Forum 501(c)(3) are part of a collaboration of entities (hereinafter, the “Eagle Forum Entities”) which enable conservative and pro-family men and women to participate in the process of self-government and public policy so that America will continue to be a land of respect for family integrity, individual liberty, public and private virtue and private enterprise. The first of the Eagle Forum Entities was founded by non-party Phyllis Schlafly in the 1970s to prove—and further advance the notion—that citizen-volunteers, through rigorous advocacy of conservative and pro-family values, can affect

government policies in Congress, state legislatures, city councils and school boards.

4. The Eagle Forum 501(c)(4), as a tax-exempt nonprofit organization under 26 U.S.C. § 501(c)(4), advances the causes shared amongst the Eagle Forum Entities on a national level through the funding of social welfare activities, including expenditures towards public policy, devoted to promoting the common good and general welfare of the people of the United States. The systemic advocacy of the Eagle Forum 501(c)(4)—which is able to reach its membership base in local communities and engage them on issues that uniquely concern them—is realized across the United States by the efforts of State Eagle Forums, which operate under a State President and which carry out activities in their respective states directed towards furthering the conservative purposes and principles of the Eagle Forum 501(c)(4). On the national level, the State Eagle Forums are aided by a national Board of Directors (the “Eagle Board”), which directs funds, other resources and citizen-volunteers to each of the State Eagle Forums’ efforts. Certain powers of the Eagle Board are necessarily invested in Officers—including a President—who are elected by, and serve at the discretion of, the Eagle Board.

5. The Eagle Forum 501(c)(4)’s unique “grass-roots” advocacy also owes some of its success to the Bott Radio Network, which sponsored Eagle Forum Live—a weekly radio show hosted by Phyllis Schlafly—across more than one-hundred and ten (110) radio stations across the United States. In 2016, Bott Radio Network agreed to continue its sponsorship of Eagle Forum Live, provided that Phyllis Schlafly’s daughter, Plaintiff Anne Schlafly Cori (“Anne Schlafly Cori”) took on the mantle of the weekly radio show and used her full name, Anne **Schlafly** Cori, on air.

6. On January 31, 2015, the Eagle Board elected Edward R. Martin, Jr. (“Martin”) as President of the Eagle Forum 501(c)(4). At that same time, Martin was elected as President of

the Eagle Forum 501(c)(3).

7. During Martin's brief tenure, the Eagle Forum 501(c)(4) has experienced unprecedented chaos and division between its national presence, the State Eagle Forums and its membership base. Moreover, as President of the Eagle Forum 501(c)(4) *and* the Eagle Forum 501(c)(3), Martin has failed to delineate the scope of his duties for each entity. His failure to set forth any structure or delineation has caused the respective powers, duties, assets and governing responsibilities of both entities to be blurred. Further, Martin has used his position to proceed with his own personal agendas, unchecked by the articles or bylaws of the Eagle Forum 501(c)(4) and the Eagle Forum 501(c)(3), or other principles of proper corporate governance. The draconian approach to leadership evidenced by Martin has spurned Eagle Forum employees and State Presidents, many of whom have served as citizen-volunteers with Eagle Forum Entities since the 1970s, towards uproar and threatened resignation. Furthermore, with Martin as President, the Eagle Forum 501(c)(4) leadership in the national pro-family movement has diminished. Substantial additional damage to the Eagle Forum 501(c)(4)'s mission—and the final referendum on Martin's deplorable tenure as President—occurred when Bott Radio Network discontinued its sponsorship and dissociated itself from the Eagle Forum Live, despite its pledge to continue its sponsorship under Anne Schlafly Cori's tenure.

8. In an effort to salvage the Eagle Forum 501(c)(4)'s mission and reputation, the Eagle Board convened on April 11, 2016 and removed Martin as President of the Eagle Forum 501(c)(4). Now, Plaintiffs Anne Schlafly Cori, Eunie Smith ("Smith"), Carolyn McLarty ("McLarty"), Rosina Kovar ("Kovar"), Shirley Curry ("Curry") and Cathie Adams ("Adams") (collectively the "Majority Directors") come before this Court to seek its order (1) declaring the Eagle Board's actions on April 11, 2016, including the removal of Martin as president, were

valid and lawful, and (2) enjoining Martin and defendant John F. Schlafly (“John Schlafly”) from depriving the Eagle Board, and in particular Smith, in her capacity as acting President of the Eagle Forum 501(c)(4), and Anne Schlafly Cori, in her capacity as Executive Director of the Eagle Forum 501(c)(4), from fulfilling their fiduciary obligations to the Eagle Forum 501(c)(4), the State Eagle Forums and its membership base and continuing the mission championed amongst the Eagle Forum Entities.

THE PARTIES

9. Anne Schlafly Cori is a resident of the State of Missouri and, at all times relevant hereto, has served as a Director of the Eagle Forum 501(c)(4). Anne Schlafly Cori is the daughter of non-party Phyllis Schlafly. Anne Schlafly Cori currently holds the position of Executive Director of the Eagle Forum 501(c)(4) and has served as a Director and the Treasurer for the Eagle Forum 501(c)(3). Anne Schlafly Cori has also served as the President of the State Eagle Forum for the State of Missouri.

10. Smith is a resident of the State of Alabama and, at all times relevant hereto, has served as a Director and the First Vice President of the Eagle Forum 501(c)(4). Smith is currently the acting President of the Eagle Forum 501(c)(4). Smith is a founding member of the Eagle Forum 501(c)(4) and has served Eagle Forum Entities for over forty (40) years, including the State Eagle Forum for the State of Alabama, which she founded in 1977. Smith has been the First Vice President of the Eagle Forum 501(c)(4) for more than a decade.

11. Adams is a resident of the State of Texas and, at all times relevant hereto, has served as a Director and the Second Vice President of the Eagle Forum 501(c)(4). Adams has been involved with the State Eagle Forum for the State of Texas, including serving as President for twenty-three (23) years. She also served as the President of the Local Chapter of the Dallas

Eagle Forum for five (5) years.

12. McLarty is a resident of the State of Oklahoma and, at all time relevant hereto, has served as a Director of the Eagle Forum 501(c)(4). McLarty has been involved with the Eagle Forum 501(c)(4) for over twelve (12) years. She also held the position of Education Director for the State Eagle Forum for the State of Oklahoma for three (3) years.

13. Kovar is a resident of the State of Colorado and, at all time relevant hereto, has served as a Director of the Eagle Forum 501(c)(4). Kovar has been involved with the Eagle Forum 501(c)(4) for over thirty (30) years. After non-party Phyllis Schlafly personally asked her to consent to being nominated, Kovar was elected to the Eagle Board as the At-Large Director of the Eagle Forum 501(c)(4) and has served in the capacity for approximately six (6) years.

14. Curry is a resident of the State of Tennessee and, at all time relevant hereto, has served as a Director of the Eagle Forum 501(c)(4). Curry has been a part of non-party Phyllis Schlafly's mission for more than forty (40) years, since before the Eagle Forum 501(c)(4) was founded. Curry was a founding member of the Eagle Forum 501(c)(4), and has served as a Director on the Eagle Board, without interruption, since that time.

15. Martin is a resident of the State of Missouri. Martin is formerly the President of the Eagle Forum 501(c)(4) and is currently President of the Eagle Forum 501(c)(3). While serving as President of both the Eagle Forum 501(c)(4) and the Eagle Forum 501(c)(3), Martin was paid a salary of \$150,000.00, \$75,000 from each entity.

16. John Schlafly is a resident of the State of Illinois and, at all times relevant hereto, has served as a Director and the Secretary of the Eagle Forum 501(c)(4). Upon information and belief, John Schlafly is an employee of an Eagle Forum Entity and is paid a salary, however the Majority Directors are not aware what his salary is, what his title is or whether he is an employee

of the Eagle Forum 501(c)(4).

17. As noted above, the Eagle Forum 501(c)(4) is a corporation formed under the Illinois General Not For Profit Corporation Act and recognized as a tax-exempt nonprofit organization under 26 U.S.C. § 501(c)(4). Eagle Forum 501(c)(4) is included as a nominal defendant only insofar as Defendants Martin and John Schlafly have usurped control from the entity and wholly disregarded the powers and authority of the Board of Directors as set forth in the Bylaws of Eagle Forum and applicable Illinois law.

JURISDICTION AND VENUE

18. This Court has jurisdiction pursuant to 735 ILCS 5/2-209 because the cause of action asserted herein arises out of (1) the commission of a tortious act within the State of Illinois, (2) the breach of a fiduciary duty within the State of Illinois, and (3) the acquisition of ownership, possession or control of assets and/or things of value present within the State of Illinois when ownership, possession or control was acquired.

19. Venue is proper in this Court pursuant to 735 ILCS 5/2-101.

FACTS COMMON TO ALL COUNTS

20. The Eagle Forum 501(c)(4) is governed by its Articles of Incorporation (the "Articles") and the Bylaws of Eagle Forum (the "Bylaws") which were adopted on September 21, 1978; amended September 23, 1993; amended September 23, 1999; amended September 20, 2001 and amended September 20, 2007. True and accurate copies of the Articles and the Bylaws are attached hereto as **Exhibits A and B**, respectively, and incorporated herein by reference.

21. The Eagle Board currently consists of eleven (11) Directors: namely Anne Schlafly Cori, Smith, Adams, McLarty, Kovar and Curry (the Majority Directors), Defendant

John Schlafly, and non-parties Phyllis Schlafly, Andy Schlafly, LaNeil Wright Spivy and Kathleen Sullivan.

Defendants' Conduct Prior to the April 11, 2016 Board Meeting

22. On March 29, 2016, Adams, Curry and Smith, as Directors of the Eagle Board, mailed notice of a meeting of the Eagle Board (the "Notice") to all Directors of the Eagle Board. A copy of the Notice is attached hereto as **Exhibit C** and incorporated herein by reference. Per the Notice, the meeting of the Eagle Board was set to occur on April 11, 2016. *See* Ex. C. The Notice was in compliance with the Bylaws. *See* Ex. B at p. 2 ("The Board of Directors shall meet at least once a year at the call of the President or of three members of the Board. Notice of the meetings, specifying the time and place, shall be mailed to each director at least ten days prior to the date of the meeting.").

23. On April 8, 2016, the Board of Directors of the Eagle Forum **501(c)(3)** convened via telephone conference without proper notice. Anne Schlafly Cori attended the meeting solely to object that there was no proper notice. After so objecting, Anne Schlafly Cori was muted from the call and prevented from further objecting to the proceedings. In this meeting, the Board of Directors of the Eagle Forum 501(c)(3) purported to remove Anne Schlafly Cori as a Director of the Eagle Forum 501(c)(3) by electing a successor.

24. On April 9, 2016 at 10:29 p.m., Martin, posting on Facebook as the State Eagle Forum for the State of Missouri, authored the following about the Majority Directors and the board meeting scheduled on April 11, 2016:

Hostile Takeover Alert! Word has come of a rogue board meeting and an upcoming hostile takeover of Eagle Forum's board and its assets. Phyllis Schlafly's endorsement of Trump is a likely catalyst. But you can be sure the real objective is to control the Eagle Forum bank accounts and that the Gang of 6 will present a carefully crafted excuse for public consumption. Please pray, call the Gang of 6 to object, and stay tuned.

Martin further wrote: "Please lobby these six individuals and tell them what you think of their attempt to hijack Eagle Forum for their own purposes. Please tell them to respect Phyllis and to cease and desist." Martin thereafter provided the e-mail addresses and telephone numbers for each of the Majority Directors.

25. On April 9, 2016, Martin sent an e-mail to the more than forty-one thousand (41,000) members of Eagle Forum 501(c)(4) mailing list. The e-mail stated:

Things are happening that are disturbing. In just two days, on this coming Monday afternoon, six directors of Eagle Forum are holding a rogue meeting in violation of the Bylaws unless they are stopped. The rogue group members have a hidden agenda, and most refused to return phone calls personally made to them by Phyllis to ask what their concerns are.

Martin further wrote: "Please lobby these six individuals and tell them what you think of their attempt to hijack Eagle Forum for their own purposes. Please tell them to respect Phyllis and to cease and desist." Martin again provided the e-mail addresses and telephone numbers for each of the Majority Directors. Following this e-mail, the Majority Directors were inundated with e-mails and calls from members and the general public. Despite Martin claiming that he sent the e-mail with her approval, non-party Phyllis Schlafly has denied any knowledge of this e-mail to both Anne Schlafly Cori and Smith.

26. On April 9, 2016, the Majority Directors received a letter that, upon information and belief, was authored by Martin but purports to have been signed by non-party Phyllis Schlafly. The letter asks for the immediate resignation of the Majority Directors from the Eagle Board. On April 10, 2016, Martin sent a copy of the letter, via e-mail, to the more than forty-one thousand (41,000) members of Eagle Forum 501(c)(4) mailing list.

27. On April 10, 2016, the Majority Directors received a cease and desist letter from the Runnymede Law Group (the "C&D Letter"). The C&D Letter advised that Phyllis Schlafly

and Martin had retained the Runnymede Law Group on behalf of “Eagle Forum.” The C&D Letter further provided:

Eagle Forum ... demands that you immediately cease and desist any actions to move forward with that meeting. Eagle Forum further demands that you cease and desist all actions you are taking or may take that violate your fiduciary duties to Eagle Forum. Be advised that any actions you take in violation of your fiduciary duties to Eagle Forum will result in your being personally liable for any damages caused.

The April 11, 2016 Board Meeting

28. On April 11, 2016, the Eagle Board convened by telephone conference (the “Board Meeting”). A true and accurate copy of the certified minutes from the Board Meeting is attached hereto as **Exhibit D** and incorporated herein by reference.

29. The Articles and Bylaws do not specifically prohibit meetings of the Eagle Board conducted by telephone conference. Under Illinois law, the absence of any such specific prohibition is an authorization. *See* Exs. A and B; *see also* 805 ILCS 105/108.15(c) (“Unless *specifically prohibited* by the articles of incorporation or bylaws, directors [] may participate in and act at any meeting of such board [] through the use of a conference telephone.”) (emphasis added).

30. The following eight (8) Directors appeared at the Board Meeting: Anne Schlafly Cori, Smith, Adams, McLarty, Kovar and Curry (the Majority Directors), John Schlafly and Phyllis Schlafly. Andy Schlafly, Spivy and Sullivan were absent from the Board Meeting. *See* Ex. D at p. 1.

31. As noted above, a notice of the Board Meeting was mailed to each Director of the Eagle Board in compliance with the Bylaws. *See* Ex. B at p. 3. Even were this not the case, the six (6) Majority Directors waived their right to notice by attending the Board Meeting and not raising an objection regarding the same. *See* 805 ILCS 105/107.20 (“Attendance at any meeting

shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.”).

32. The presence of the Majority Directors—i.e., the presence of at least six (6) of the eleven (11) Directors of the Eagle Board constituted a quorum under the Bylaws. *See* Ex. B at p. 2 (“A majority of all the Directors then serving shall constitutes a quorum.”); *see also* 805 ILCS 105/108.15(c) (“Participation in [a meeting of a board of directors through telephone conference] shall constitute attendance and presence in person at the meeting of the person or persons so participating.”).

33. Once the Board Meeting got underway, Anne Schlafly Cori moved that the Board Meeting enter into executive session. *See* Ex. D at p. 1. The motion was seconded. *Id.* The Majority Directors voted “yes.” *Id.* The motion passed with at least six (6) affirmative “yes” votes. *Id.* The Board Meeting entered and was thereafter held in executive session.

34. In executive session, only the Directors are authorized to remain in a meeting of the Eagle Board. *See* GENERAL HENRY M. ROBERT, ROBERT’S RULES OF ORDER 95 (2011) (“Whenever a meeting is being held in executive session, only members of the body that is meeting... are allowed to remain...”).

35. After entering into executive session, Smith muted the telephone conference in order to read the agenda for the Board Meeting. After the agenda had been read, Smith unmuted the telephone conference and all attendees of the executive session were thereafter free to vote, object or otherwise comment on the proceedings.

36. Because Martin is not a member of the Eagle Board, he was not allowed to remain in the Board Meeting during executive session. Under the Bylaws, Smith, as First Vice President, was authorized to exercise the powers of the President in Martin’s absence. Ex. B at

p. 3 (“The First and Second President shall, in their turn, exercise the powers of the President in case of ... absence of the President...”). These powers include presiding over any meeting of the Eagle Forum 501(c)(4), including the Board Meeting. *Id.* (“The President shall preside at all meetings of the ... Board of Directors...”).

37. While in executive session, the Eagle Board lawfully called and passed seven (7) successful motions (the “Seven Successful Motions”).

38. Upon information and belief, Martin and counsel from Runnymede Law Group remained on the call during executive session.

The First Successful Motion: Removal of Martin

39. Curry moved that Martin be removed as President of the Eagle Forum 501(c)(4). *See* Ex. D. McLarty seconded the motion. *Id.* Smith requested a roll call vote. *Id.* The Majority Directors voted “yes.” *Id.* Phyllis Schlafly and John Schlafly objected. *Id.* The motion passed six-to-zero (6-0) with two (2) objections. *Id.*

40. Because the Articles and Bylaws do not specifically address the number of affirmative votes required to remove of an Officer of the Eagle Forum 501(c)(4), Illinois law provides that only a simple majority is required. *See* Exs. A and B; *see also* 805 ILCS 105/108.15(b) (“The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the bylaws.”).

41. Because Martin was no longer the President of Eagle Forum 501(c)(4) and/or because he was still otherwise prohibited from being in the Board Meeting while the Eagle Board was in executive session, Smith continued to exercise the powers of the President and preside over the Board Meeting.

42. As acting president of the Eagle Forum 501(c)(4), Smith appointed Curry to lead a committee directed to identifying potential candidates to fill the vacant position of the President of Eagle Forum 501(c)(4).

43. As acting president of the Eagle Forum 501(c)(4), and because she is a resident of the State of Alabama and the headquarters of the Eagle Forum 501(c)(4) is located in Madison County, Illinois, Smith appointed Anne Schlafly Cori to the position of Executive Director of the Eagle Forum 501(c)(4).

The Second Successful Motion: Account Authorization

44. Anne Schlafly Cori then moved for a resolution providing the following:
- a. that Anne Schlafly Cori and Smith be authorized to transact business with respect to the Eagle Forum 501(c)(4)'s accounts with banks and other financial institutions, such as investment advisors and stock brokers;
 - b. that all prior resolutions for signature authorization on accounts with banks and other financial institutions be revoked;
 - c. that funds may be withdrawn from the Eagle Forum 501(c)(4)'s accounts with banks and other financial institutions on the signature of Anne Schlafly Cori, Smith and/or non-party Lois Linton ("Linton"); and
 - d. that Anne Schlafly Cori be authorized to notify each bank and other financial institution, with which the Eagle Forum 501(c)(4) has an account, that Anne Schlafly Cori, Smith and Linton are the only individuals with signatory authority on each such accounts.

See Ex. D. The motion was seconded. *Id.* Smith requested a roll call vote. *Id.* The Majority Directors voted "yes." *Id.* Phyllis Schlafly and John Schlafly objected. *Id.* The motion passed six-to-zero (6-0) with two (2) objections. *Id.*

The Third Successful Motion: Adoption of Conflict of Interest Policy

45. Curry then moved for the adoption of a conflict of interest policy whereby no employee of the Eagle Forum 501(c)(4) may be a Director. *Id.* The motion was seconded. *Id.*

Smith requested a roll call vote. *Id.* The Majority Directors voted “yes.” *Id.* Phyllis Schlafly and John Schlafly objected. *Id.* The motion passed six-to-zero (6-0) with two (2) objections. *Id.*

The Fourth Successful Motion: Independent Audit

46. Anne Schlafly Cori then moved for a complete and independent audit of the Eagle Forum 501(c)(4). *See* Ex. D. The motion was seconded. *Id.* Smith requested a roll call vote. *Id.* The Majority Directors voted “yes.” *Id.* Phyllis Schlafly and John Schlafly objected. *Id.* The motion passed six-to-zero (6-0) with two (2) objections. *Id.*

The Fifth Successful Motion: Liability Insurance for Directors and Officers

47. Smith then moved to instruct and authorize the Executive Director, Anne Schlafly Cori, to pursue a liability insurance contract covering Directors and Officers of the Eagle Forum 501(c)(4). *See* Ex. D. Adams seconded the motion. *Id.* Smith requested a roll call vote. *Id.* The Majority Directors voted “yes.” *Id.* Phyllis Schlafly and John Schlafly objected. *Id.* The motion passed six-to-zero (6-0) with two (2) objections. *Id.*

The Sixth Successful Motion: Clarifying Engagements with Legal Counsel

48. Anne Schlafly Cori then moved for the adoption of a resolution which provided the following:

- a. that neither the Runnymede Law Group, nor any other law firm, has been engaged to represent the Eagle Forum 501(c)(4);
- b. that Smith shall advise the Runnymede Law Group that it does not represent the Eagle Forum 501(c)(4) and that it shall not hold itself out to any third party as the Eagle Forum 501(c)(4)'s legal counsel; and
- c. that only the Eagle Board shall have the authority to engage legal counsel to represent the Eagle Forum 501(c)(4).

See Ex. D. The motion was seconded. *Id.* Smith requested a roll call vote. *Id.* The Majority Directors voted “yes.” *Id.* Phyllis Schlafly and John Schlafly objected. *Id.* The motion passed

six-to-zero (6-0) with two (2) objections. *Id.*

The Seventh Successful Motion: Immediate Effectiveness of Martin's Removal

49. Curry then moved that Martin's removal as President of the Eagle Forum 501(c)(4) be immediate. *See* Ex. D. Adams seconded the motion. *Id.* Smith requested a roll call vote. *Id.* The Majority Directors voted "yes." *Id.* Phyllis Schlafly and John Schlafly objected. *Id.* The motion passed six-to-zero (6-0) with two (2) objections. *Id.*

50. Thereafter, Smith moved for adjournment of the Board Meeting. *Id.* The motion was seconded. *Id.* The Majority Directors voted "yes." *Id.* Phyllis Schlafly and John Schlafly objected. *Id.* The motion passed six-to-zero (6-0) with two (2) objections. *Id.* At that moment, the Board Meeting was thereby properly adjourned.

The Aftermath of the April 11, 2016 Board Meeting

51. Per the Seven Successful Motions, on April 11, 2016, immediately following the Board Meeting, Smith sent letters: (1) to the Runnymede Law Group, advising them that they were not authorized to represent the Eagle Forum 501(c)(4); (2) to Martin, informing him of his removal as President; and (3) to the staff and employees of the Eagle Forum 501(c)(4), advising them of Martin's removal as President. True and accurate copies of the April 11, 2016 letters from Smith to the Runnymede Law Group, Martin and the staff and employees of the Eagle Forum 501(c)(4) are attached hereto as **Exhibits E, F and G**, respectively, and incorporated herein by reference.

The Social Media Campaign of Martin

52. On information and belief, despite his removal as President and notwithstanding Smith's letter informing him of his removal, Martin continues to receive a salary from the Eagle Forum 501(c)(4) and hold himself out to the public and third parties as the President of the Eagle

Forum 501(c)(4).

53. Despite the fact that Martin's removal as President of the Eagle Forum 501(c)(4) was immediate, Martin and John Schlafly have nonetheless proceeded in willful defiance of the power of the Eagle Board, as set forth in the Bylaws and Illinois law, by (1) refusing to acknowledge the termination of Martin and (2) preventing the Eagle Board, and in particular Smith, in her capacity as acting President, and Anne Schlafly Cori, in her capacity as Executive Director, from fulfilling their fiduciary obligations to the Eagle Forum 501(c)(4), the State Eagle Forums and the mission shared amongst the Eagle Forum Entities.

54. On April 12, 2016, Martin appeared on the Mark Reardon Show on KMOX and declared "I am still president." Martin further stated that, in the Board Meeting, the Majority Directors violated the notice provision under the Bylaws, and that the Bylaws required the Eagle Board to have meetings in person.

55. Upon information and belief, since his removal as President of the Eagle Forum 501(c)(4), Martin has used the social media accounts of the Eagle Forum 501(c)(4), the State Eagle Forum for the State of Missouri and Phyllis Schlafly to engage in an expansive campaign to maliciously attack and disseminate misinformation about the Majority Directors and the Board Meeting. As part of this campaign, Martin has personally authored content which he has nonetheless styled as information from Phyllis Schlafly, the State Eagle Forum for the State of Missouri and the Eagle Forum 501(c)(4).

56. Upon information and belief, on April 11, 2016 at 5:00 p.m., Martin, posting on Facebook as Phyllis Schlafly, authored the following quote about the Majority Directors and the Board Meeting which he nonetheless attributed to Phyllis Schlafly:

At 2:00 pm today, 6 directors of Eagle Forum met in an improper, unprecedented telephone meeting. I objected to the meeting and at

2:11pm, I was muted from the call. The meeting was invalid under the Bylaws but the attendees purported to pass several motions to wrest control of the organization from me. They are attempting to seize access to our bank accounts, to terminate employees, and to install members of their own Gang of 6 to control the bank accounts and all of Eagle Forum.

The members of their group are: Eunie Smith of Alabama, Anne Cori of Missouri, Cathie Adams of Texas, Rosina Kovar of Colorado, Shirley Curry of Tennessee, and Carolyn McLarty of Oklahoma.

This kind of conduct will not stand and I will fight for Eagle Forum and I ask all men and women of good will to join me in this fight.

57. Upon information and belief, on April 11, 2016 at 11:19 p.m., Martin, posting on Facebook as the State Eagle Forum for the State of Missouri, authored the following quotes about the Majority Directors and the Board Meeting which he nonetheless attributed to Phyllis Schlafly:

- a. “They are attempting to seize access to our bank accounts, to terminate employees, and to install members of their own Gang of 6 to control the bank accounts and all of Eagle Forum;”
- b. “The members of their group are: Eunie Smith of Alabama, Anne Cori of Missouri, Cathie Adams of Texas, Rosina Kovar of Colorado, Shirley Curry of Tennessee, and Carolyn McLarty of Oklahoma;” and
- c. “This kind of conduct will not stand and I will fight for Eagle Forum and I ask all men and women of good will to join me in this fight.”

58. Upon information and belief, on April 16, 2016 at 3:49 p.m., Martin, posting on Facebook as the State Eagle Forum for the State of Missouri, authored the following: “Phyllis stands by her choice of Ed Martin and says greed appears to be a factor in the ongoing assault.”

59. Upon information and belief, on April 17, 2016 at 8:00 p.m., Martin, posting on Facebook as the State Eagle Forum for the State of Missouri, authored the following quote which he nonetheless attributed to a letter from conservative activist Babette Francis to Phyllis Schlafly: “I thought the chance to spend time with you and 25 Eagle Forum supporters was very

valuable and insightful. I saw firsthand why you picked Ed Martin as your successor. He seems to have a great grasp of the issues you care about and to understand how we have to sell our arguments to others.”

60. Upon information and belief, immediately before and following the Board Meeting on April 11, 2016, Martin, posting on Twitter as the State Eagle Forum for the State of Missouri, authored the following:

- a. 1/3 Incredible! Rogue Bd Mbrs object to Phyllis paying a salary to EagleForum Prez. He is FullTime staff & has a wife/four kids. #txlege #moleg [posted April 11, 2016 at 12:39 p.m.];
- b. 2/3 So what do rogue EagleForum board members think of Donna Hearne collecting \$85,000/yr out her modest foundation? #txlege #moleg #stl @AP [posted April 11, 2016 at 12:43 p.m.];
- c. 3/3 CruzEagles object to paying salary to married dad of 4 & ignore swirling drama re: @cathieadams. Dividing PS garments among them #txlege [posted April 11, 2016 at 12:53 p.m.];
- d. Cathie Adams remark: Ed Martin is on Bd & gets paid a salary. (He's fulltime staffer--married w/4 kids) How dare Phyllis pay him. #txlege [posted on April 11, 2016 at 3:53 p.m.];
- e. Phyllis attempted to talk to leaders. Early on Phyllis was muted. @ConnieHair [posted on April 11, 2016 at 9:43 p.m.]; and
- f. It's just the old fashioned "Follow the Money." Ed is only an excuse. @tonymess @EagleForum @realDonaldTrump @tedcruz [posted on April 12, 2016 at 1:17 a.m.].

61. By holding himself out to the public as the President of the Eagle Forum and refusing to recognize the authority of the Eagle Board, Martin is in violation of the Bylaws. *See* Ex. B at p. 2 (“All powers of the organization shall be exercised by the Board of Directors, which may delegate to individual officers ... such powers as it deems fit, in addition to the powers specified in these Bylaws.”).

62. Moreover, by refusing to relinquish control of the social media accounts associated with the Eagle Forum 501(c)(4), Martin is preventing Smith, Anne Schlafly Cori and the Majority Directors from discharging their duties as the Eagle Board, including the duty “[t]o educate, inform, instruct, and train the public on current national and local subjects beneficial to the community.” *Id.* (referencing advocacy conducted via “the internet, and other similar programs through mail or media”).

63. Finally, by using social media accounts to attack and disparage the Majority Directors and disseminate disinformation regarding the Board Meeting, Martin has harmed the name and reputation of “Eagle Forum” and injected scandal and further discord into the Eagle Forum 501(c)(4) and the other Eagle Forum Entities. *Id.* at 1 (“The Board of Directors shall protect the name ‘Eagle Forum’...”).

John Schlafly Denying Access to Eagle Forum Property

64. Upon information and belief, the property of the Eagle Forum 501(c)(4) (hereinafter “Eagle Forum Property”) includes, but is not limited to, the follow:

- a. Interests in land, including lease agreements;
- b. Office equipment and electronic hardware (e.g., telephones, cellular phones, facsimile machines, printers, scanners, desktop computers, monitors, computer peripheral devices, laptop computers, tablets);
- c. Keys, keycards, security cards and/or any physical objects used to obtain access to, control and/or utilize any of the foregoing interests in land and/or office equipment and electronic hardware;
- d. Hard copies of all Eagle Forum 501(c)(4) documents (hereinafter, “**Eagle Forum Documents**”), files and records. This list includes, but is not limited to:
 - i. Legal Documents, including, but not limited to (1) written instruments purporting to create an obligation to or from the Eagle Forum 501(c)(4); (2) contracts between the Eagle Forum 501(c)(4)

- and other Eagle Forum Entities; (3) contract to which the Eagle Forum 501(c)(4) is a named party or beneficiary; (4) Eagle Forum 501(c)(4) lease agreements; (5) Eagle Forum 501(c)(4) employment contracts; (6) Any articles of incorporation or bylaws relating to the Eagle Forum 501(c)(4); and (7) filings made by, or on behalf of, the Eagle Forum 501(c)(4) with any governmental, administrative or regulatory entity;
- ii. Accounting records relating to the Eagle Forum 501(c)(4), including time cards and other records reflecting how expenses and payments were transferred between the Eagle Forum 501(c)(4) and other Eagle Forum Entities;
 - iii. Files, invoices or records relating to the Eagle Forum 501(c)(4);
 - iv. Letters or other communications relating to the Eagle Forum 501(c)(4);
 - v. Letters or communications between the Eagle Forum Entities;
 - vi. Inspections performed by any government or regulatory entity;
 - vii. Address books, mailing lists or other contact information regarding Eagle Forum 501(c)(4) membership, the Eagle Forum Entities or the membership of the Eagle Forum Entities;
 - viii. Books and records of account of the Eagle Forum 501(c)(4), including but not limited to: (1) the amounts of its assets and liabilities; (2) the minutes of the Eagle Forum 501(c)(4)'s proceedings, and (3) the names and business or resident addresses of its directors and offices;
 - ix. Records of the names and contact information of donors, including the history and amounts of donation;
- e. Cash;
 - f. Mutual funds; stocks; insurance policies; and savings, checking, financial investment, credit and lending accounts, such accounts include but are not limited to:
 - i. Fidelity Investments Account XXXXX9790 (the "Fidelity Account");

- ii. U.S. Bank Account XXXXXXXX0339 (the “U.S. Bank Account”); and
 - iii. U.S. Bancorp Investments Account XXXX4056 (the “U.S. Bancorp Account”)
- g. All electronic accounts used or maintained by any officer, director and/or employee of the Eagle Forum 501(c)(4). This could include, but is not limited to: (1) e-mail accounts; (2) social media accounts; or (3) accounts facilitating access to, controlling and/or relating to any other tangible or intangible personal property owned by the Eagle Forum 501(c)(4);
 - h. Software and/or programs: operating under a license obtained by the Eagle Forum 501(c)(4), or operating on any office equipment and electronic hardware owned by the Eagle Forum 501(c)(4);
 - i. the website domain name “eagleforum.org” as well as all e-mail addresses using the domain name “@eagleforum.org,” including eagle@eagleforum.org, and associated intellectual property;
 - j. Electronic copies of all **Eagle Forum Documents**;
 - k. Electronic files created, maintained or stored on any office equipment, electronic hardware, software or accounts owned by the Eagle Forum 501(c)(4); and
 - l. Usernames, passwords, passcodes, identification numbers, software and/or any information used to obtain access to and/or control any of the foregoing land, buildings, vehicles, office equipment and electronic hardware, accounts and software.

65. As of the date of the filing of this Complaint, Martin and John Schlafly, individually and jointly, have prevented Smith, Anne Schlafly Cori and the rest of the Majority Directors from accessing the Illinois Headquarters and/or Eagle Forum Property. Absent such access, Smith, Anne Schlafly Cori and the Majority Directors are unable to fulfill their fiduciary obligations to the donors, mission and members of the Eagle Forum 501(c)(4). For instance, absent access to the Eagle Forum Property, Smith, Anne Schlafly Cori and the Majority Directors are unable to undertake any action in furtherance of the purposes of the Eagle Forum

501(c)(4) (the “Eagle Forum Duties”), as set forth in the Bylaws:

- a. To educate, inform, instruct and train the public on current national and local subjects beneficial to the community, consistent with the principles outlined immediately below. *See* Ex. B at p. 1.
- b. To encourage the holding of regular public meetings by the national organization and local chapters for the presentation of panel discussions, lectures, film presentations, or other educational materials. *Id.*
- c. To distribute educational literature (books, articles, pamphlets, issue papers, etc.) to the public in order to achieve the widest possible audience. *Id.*
- d. [T]o make available additional educational literature, tapes, films, television and radio programs, and other research materials, to aid in obtaining quality speakers, business, journalistic and academic leaders. *Id.*
- e. [T]o maintain an ongoing contact with all members and supporters in order to promote information, educational programs and activities, research, and ideas for civic programs and projects. *Id.*
- f. [T]o raise funds to finance ... activities, educational programs and projects. *Id.*
- g. To sponsor national, regional and local seminars and public meetings, with the participation of speakers and panels from various other organizations, for the purpose of general education and to provide local forums to alert the public about present or proposed governmental actions, legislation, or policies. *Id.*
- h. To provide aid and information to students and young people to assist them in achieving full citizenship participation in our nation. *Id.* at 1-2.

Denial of Access to Eagle Forum 501(c)(4) Bank Accounts

66. On April 12, 2016, Anne Schlafly Cori, in her capacity as Executive Director of Eagle Forum 501(c)(4), and on behalf of Smith in her capacity as acting President of the Eagle Forum 501(c)(4), attempted to access the headquarters of the Eagle Forum 501(c)(4) which are located at 322 State Street, Suite 301, Alton, Illinois 62002 (the “Illinois Headquarters”).

67. John Schlafly denied Anne Schlafly Cori access to the Illinois Headquarters and prevented her from obtaining or inspecting Eagle Forum Property. When Anne Schlafly Cori insisted on her right to obtain and inspect Eagle Forum Property, the Alton Police were called to remove Anne Schlafly Cori from the Illinois Headquarters.

68. On April 12, 2016, Anne Schlafly Cori went to the Alton branch of U.S. Bank in order to notify U.S. Bank, per the Second Successful Motion, (1) that all prior signature authorizations on the U.S. Bank Account were revoked; (2) that funds may be withdrawn from the U.S. Bank Account on the signature of Anne Schlafly Cori, Smith or Linton; and (3) that Anne Schlafly Cori, Smith and Linton were the only individuals with signatory authority on the U.S. Bank Account.

69. In order to obtain signatory authority for herself, Smith and Linton, as authorized by the Second Successful Motion, Anne Schlafly Cori also presented a representative of U.S. Bank with a copy of the Second Successful Motion, a certification of the Second Successful Motion provided by Kovar, and copies of her, Smith's and Linton's signatures.

70. After contacting U.S. Bank's internal legal compliance department, the U.S. Bank representative informed Anne Schlafly Cori that, in order for her to obtain signatory authority for herself, Smith and Linton on the U.S. Bank Account, she would need to provide:

- a. a certified copy of minutes from the Board Meeting; and
- b. a court order declaring (1) that all prior signature authority for the U.S. Bank Account is revoked and (2) that Anne Schlafly Cori, Smith and Linton are the *only* individuals with signatory authority on the U.S. Bank Account.

71. On April 19, 2016, Anne Schlafly Cori received a letter from Fidelity Investments regarding the Fidelity Account and an account ending in 9803, which upon information and belief, is owned by the Eagle Forum 501(c)(3) (the "Fidelity Letter"). A true and accurate copy

of the Fidelity Letter is attached hereto as **Exhibit H** and incorporated herein by reference. The Fidelity Letter states:

It has recently come to our attention that there is a dispute as to which individuals should be authorized to transact on the above-referenced accounts. Accordingly, Fidelity has restricted the accounts from trading and withdrawals until there is a resolution of this issue. In order to remove the restrictions, we require notarized letters from all interested parties indicating a consensus as to who is authorized to act, **or a court order outlining who should be authorized on the accounts.**

See Ex. H (emphasis added).

The Improper Nomination and Call for Election of At-Large Director

72. On April 18, 2016, a correspondence was sent to the Eagle Board which purported to be from non-party Phyllis Schlafly. A true and accurate copy of the April 18, 2016 correspondence is attached hereto as **Exhibit I** and incorporated herein by reference. The correspondence requested nominations for the election of a new At-Large Director, to be submitted by 6:00 p.m. on April 19, 2016. *See* Ex. I.

73. Under the Bylaws, the Eagle Board “shall nominate three members of [the Eagle Forum 501(c)(4)] for election to the position of At-Large Director.” *See* Ex. B at p. 3. However, such nomination is only authorized “[a]t the annual meeting [of the Eagle Board] in the odd-numbered years.” *Id.*

74. Under the Bylaws, the next annual meeting at which any At-Large Director candidates may be nominated by the Eagle Board (and subsequently elected by the full Eagle Forum membership) may not take place until 2017.

75. Upon information and belief, on or about April 22, 2016, Martin and/or John Schlafly organized and coordinated the mailing of 14,000 ballots to an unknown group of Eagle Forum supporters, purporting to hold an election for the At-Large Director of the Eagle Board.

76. Upon information and belief, Martin and/or John Schlafly hand selected the three

candidates on the ballot for At-Large Director.

77. The Eagle Board never authorized an election for the At-Large Director. Further the Eagle Board did not vote to select the three so-called nominees or otherwise have unanimous consent on the selection, as is required by the Bylaws. The Majority Directors have objected to this improper nomination and election.

78. Kovar is currently the At-Large Director serving on the Eagle Board.

79. Any attempt to nominate, call for an election of, or elect a new At-Large Director is improper, violates the Bylaws and represents a thinly-veiled attempt to undermine the Majority Directors.

COUNT I – Breach of Fiduciary Duty (Against Martin)

For their Count I against Martin, the Majority Directors state as follows:

80. The Majority Directors incorporate by reference and restate the allegations contained in paragraphs 1 through 57 above.

81. As the President of the Eagle Forum 501(c)(4), Martin owed a duty of care and loyalty to the Eagle Forum 501(c)(4), its donors, its mission, its members and the other Directors, Officers and employees of the Eagle Forum 501(c)(4).

82. As set forth above, Martin breached that duty by (1) refusing to acknowledge the authority of the Eagle Board; (2) holding himself out as President of the Eagle Forum 501(c)(4); (3) damaging the name and reputation of the Majority Directors, the Eagle Board and the Eagle Forum 501(c)(4); (4) denying Smith, Anne Schlafly Cori and the other Majority Directors access to the Illinois Headquarters and the Eagle Forum Property and (5) preventing Smith, Anne Schlafly Cori and the Majority Directors from fulfilling their fiduciary duties to the Eagle Forum 501(c)(4), including carrying out the Eagle Forum Duties.

83. As a direct and proximate result of Martin's breach, Anne Schlafly Cori, Smith and the Majority Directors (as well as the Eagle Forum 501(c)(4)) have been, and continue to be, harmed.

COUNT II – Breach of Fiduciary Duty (Against John Schlafly)

For their Count II against John Schlafly, the Majority Directors state as follows:

84. The Majority Directors incorporate by reference and restate the allegations contained in paragraphs 1 through 61 above.

85. As a Director and the Secretary of the Eagle Forum 501(c)(4), John Schlafly owed a duty of care and loyalty to the Eagle Forum 501(c)(4), its donors, its mission, its members and the other Directors, Officers and employees of the Eagle Forum 501(c)(4).

86. As set forth above, John Schlafly breached that duty by (1) denying Smith, Anne Schlafly Cori and the other Majority Directors access to the Illinois Headquarters and the Eagle Forum Property and (2) preventing Smith, Anne Schlafly Cori and the Majority Directors from fulfilling their fiduciary duties to the Eagle Forum 501(c)(4), including carrying out the Eagle Forum Duties.

87. As a direct and proximate result of John Schlafly's breach, Anne Schlafly Cori, Smith and the Majority Directors (as well as the Eagle Forum 501(c)(4)) have been, and continue to be, harmed.

COUNT III – Inducement of Breach of Fiduciary Duty (Against Martin)

In the alternative to their Count I, for their Count III against Martin, the Majority Directors state as follows:

88. The Majority Directors incorporate by reference and restate the allegations contained in paragraphs 1 through 61 above.

89. As a Director and the Secretary of the Eagle Forum 501(c)(4), John Schlafly owed a duty of care and loyalty to the Eagle Forum 501(c)(4), its donors, its mission, its members and the other Directors, Officers and employees of the Eagle Forum 501(c)(4).

90. As set forth above Martin colluded with John Schlafly in committing a breach of that duty by (1) denying Smith, Anne Schlafly Cori and the other Majority Directors access to the Illinois Headquarters and the Eagle Forum Property and (2) preventing Smith, Anne Schlafly Cori and the Majority Directors from fulfilling their fiduciary duties to the Eagle Forum 501(c)(4), including carrying out the Eagle Forum Duties.

91. Martin induced and/or participated in John Schlafly's breach of his fiduciary duty.

92. As a direct and proximate result of John Schlafly's breach, Anne Schlafly Cori, Smith and the Majority Directors (as well as the Eagle Forum 501(c)(4)) have been, and continue to be, harmed.

93. Martin obtained the benefits from John Schlafly's breach of his fiduciary duties, in that Martin has retained control over the Illinois Headquarters and the Eagle Forum Property.

COUNT IV – Equitable Action for Accounting

For their Count IV against Martin and John Schlafly, the Majority Directors state as follows:

94. The Majority Directors incorporate by reference and restate the allegations contained in paragraphs 1 through 67 above.

95. As set forth above, there has been a breach of a fiduciary relationship by Martin and John Schlafly. These breaches of fiduciary duty directly implicate the Eagle Forum Property owned Eagle Forum 501(c)(4).

96. Smith, Anne Schlafly Cori and the other Majority Directors need an inventory and

accounting of the Eagle Forum Property which is currently in possession of the Eagle Forum 501(c)(4).

97. Upon information and belief, the Eagle Forum 501(c)(4) is in possession of numerous accounts and assets whose organization, structure and shared ownership with other Eagle Forum Entities is complex in nature.

98. There is no adequate remedy at law which can address this need of Smith, Anne Schlafly Cori and the Majority Directors and/or the requirement of an absence of an adequate remedy at law is excused in this case because, as set forth above, the Majority Directors seek this accounting due to the breaches of fiduciary duty committed by Martin and John Schlafly.

COUNT V – Declaratory Judgment Action

For their Count V against Martin and John Schlafly, the Majority Directors state as follows:

99. The Majority Directors incorporate by reference and restate the allegations contained in paragraphs 1 through 72 above.

100. There is a real and existing controversy regarding the actions taken by the Eagle Board at the Board Meeting, including the removal of Martin as President of the Eagle Forum 501(c)(4).

101. The Majority Directors, as members of the Eagle Board and fiduciaries of the Eagle Forum 501(c)(4), have a tangible legal interest in this controversy.

102. Martin, as the President of the Eagle Forum 501(c)(4) who was removed at the Board Meeting and who has undertaken conduct in direct contravention with the Eagle Board's decisions at the Board Meeting, has a tangible legal interest in this controversy that is adverse to the Majority Directors' interest.

103. John Schlafly, as a Director and member of the Eagle Board and fiduciary of the Eagle Forum 501(c)(4) who has undertaken conduct in direct contravention with the Eagle Board's decisions at the Board Meeting, has a tangible legal interest in this controversy that is adverse to the Majority Directors' interest.

104. The Majority Directors seek this Court's declaration that Board Meeting was properly called and conducted, including the declaration that (1) the notice required under the Bylaws was provided to the Eagle Board, (2) the Board Meeting was properly conducted via telephone conference, and (3) Martin was properly prohibited from presiding over the Board Meeting while it was in executive session.

105. The Majority Directors also seek this Court's declaration that the Seven Successful Motions—each of which passed six-to-zero (6-0) with two (2) objections—were lawful, valid and passed in accordance with the Eagle Forum 501(4)(c)'s Articles and Bylaws.

106. The Seven Successful Motions provided the following:

- a. The First Successful Motion: the removal of Martin as the President of the Eagle Forum 501(c)(4);
- b. The Second Successful Motion:
 - i. the authorization of Anne Schlafly Cori and Smith to transact business with respect to the Eagle Forum 501(c)(4)'s accounts with banks and other financial institutions, such as investment advisors and stock brokers;
 - ii. the revocation of all prior Eagle Forum 501(c)(4) authorizations with banks and other financial institutions;
 - iii. the signature authorization of Anne Schlafly Cori, Smith and non-party Lois Linton to withdraw funds from the Eagle Forum 501(c)(4)'s accounts with banks and other financial institutions; and
 - iv. the authorization of Anne Schlafly Cori to notify each bank and

other financial institution, with whom the Eagle Forum 501(c)(4) has an account, that Anne Schlafly Cori, Smith and Linton are the only individuals with signatory authority on each such accounts;

- c. The Third Successful Motion: the adoption of a conflict of interest policy whereby no employee of the Eagle Forum 501(c)(4) may also serve as a Director;
- d. The Fourth Successful Motion: the authorization of a complete and independent audit of the Eagle Forum 501(c)(4);
- e. The Fifth Successful Motion: the authorization of Anne Schlafly Cori to pursue a liability insurance contract covering Directors and Officers of the Eagle Forum 501(c)(4);
- f. The Sixth Successful Motion: the adoption of a resolution:
 - i. that neither the Runnymede Law Group, nor any other law firm, has been engaged to represent the Eagle Forum 501(c)(4);
 - ii. that Smith shall advise the Runnymede Law Group that it does not represent the Eagle Forum 501(c)(4) and that it shall not hold itself out to any third party as the Eagle Forum 501(c)(4)'s legal counsel; and
 - iii. that only the Eagle Board shall have the authority to engage legal counsel to represent the Eagle Forum 501(c)(4); and
- g. The Seventh Successful Motion: that Martin's removal as President of the Eagle Forum 501(c)(4) was effectively immediately on April 11, 2016.

107. The Majority Directors, as part of the Second Successful Motion, also seek this Court's declaration that:

- a. only Anne Schlafly Cori and Smith may transact business with respect to the Fidelity Account and only Anne Schlafly Cori, Smith and Linton have signatory authority with respect to the Fidelity Account;
- b. only Anne Schlafly Cori and Smith may transact business with respect to the U.S. Bank Account and only Anne Schlafly Cori, Smith and Linton have signatory authority with respect to the U.S. Bank Account; and
- c. only Anne Schlafly Cori and Smith may transact business with respect to

.....

the U.S. Bancorp Account and only Anne Schlafly Cori, Smith and Linton have signatory authority with respect to the U.S. Bancorp Account.

108. Finally, the Majority Directors seek this Court's declaration that, under the Articles and Bylaws, the current attempt by John Schlafly, Martin, and/or others to nominate, call for an election of, or elect any candidate to be the At-Large Director of the Eagle Forum 501(c)(4) violates the Bylaws and is improper and invalid.

COUNT VI – Injunctive Relief

For their Count VI against Martin and John Schlafly, the Majority Directors state as follows:

109. Anne Schlafly Cori, Smith and the other Majority Directors have a protected right in the Eagle Forum Property and, as fiduciaries, control of the Eagle Forum 501(c)(4).

110. The Majority Directors will suffer irreparable harm if injunctive relief is not granted and the conduct of Martin and John Schlafly is not enjoined.

111. The Majority Directors will suffer irreparable harm if injunctive relief is not granted and the proceedings of the Eagle Forum 501(c)(4), including the prospective process to nominate at-large candidates, are allowed to continue, since all activities subsequent to the April 11, 2016 Board Meeting and the Seven Successful Motions have been conducted illegally and without authorization or board approval.

112. The Majority Directors' remedy at law is inadequate.

113. In this case, as set forth more fully above in Counts I – V, the Majority Directors are likely to succeed on the merits.

WHEREFORE, Plaintiffs Anne Schlafly Cori, as a Director and the Executive Director of Eagle Forum; Eunie Smith, as a Director, the First Vice President and the acting President of Eagle Forum; Cathie Adams, as a Director and the Second Vice President of Eagle Forum;

Carolyn McLarty, as a Director of Eagle Forum; Rosina Kovar, as a Director of Eagle Forum; and Shirley Curry, as a Director of Eagle Forum; respectfully request that this Court enter its Order and Judgment in their favor and against Defendants Edward R. Martin, Jr., John F. Schlafly, and Eagle Forum:

- a. Enjoining Martin, temporarily, preliminarily, and permanently, from conducting any business on behalf of the Eagle Forum 501(c)(4) or holding himself out as the President of the Eagle Forum 501(c)(4) to any third party;
- b. Enjoining Defendants, temporarily, preliminarily, and permanently, from preventing the Majority Directors from accessing the Illinois Headquarters and any and all Eagle Forum Property located thereon or elsewhere;
- c. Enjoining Defendants, temporarily, preliminarily, and permanently, from attempting to nominate, call for an election of, or elect any candidate for the position of the At-Large Director to serve on the Eagle Board in 2016;
- d. Declaring that the Board Meeting, which took place on April 11, 2016, was properly called and conducted, including that:
 - i. the notice sent to the Eagle Board was prior to the Board Meeting complied with the Articles and Bylaws;
 - ii. the Board Meeting was properly conducted via telephone conference, in accordance with the Articles and Bylaws; and
 - iii. Martin was properly prohibited from presiding over the Board Meeting while it was in executive session;
- e. Declaring that the following actions undertaken at the Board Meeting on April 11, 2016 were valid and lawful exercises of the Eagle Board, enacted in accordance with the Articles and Bylaws:
 - i. the removal of Martin as the President of the Eagle Forum 501(c)(4) [**the First Successful Motion**];
 - ii. the authorization of Anne Schlafly Cori and Smith to transact business with respect to the Eagle Forum 501(c)(4)'s accounts with banks and other financial institutions, such as investment advisors and stock brokers [**the Second Successful Motion**];

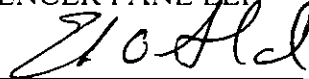
- iii. the revocation of all prior Eagle Forum 501(c)(4) authorizations with banks and other financial institutions [**the Second Successful Motion**];
 - iv. the signature authorization of Anne Schlafly, Smith and non-party Lois Linton to withdraw funds from the Eagle Forum 501(c)(4)'s accounts with banks and other financial institutions [**the Second Successful Motion**];
 - v. the authorization of Anne Schlafly Cori to notify each bank and other financial institution, with whom the Eagle Forum 501(c)(4) has an account, that Anne Schlafly Cori, Smith and Linton are the only individuals with signatory authority on each such accounts [**the Second Successful Motion**];
 - vi. the adoption of a conflict of interest policy whereby no employee of the Eagle Forum 501(c)(4) may also serve as a Director [**the Third Successful Motion**];
 - vii. the authorization of a complete and independent audit of the Eagle Forum 501(c)(4) [**the Fourth Successful Motion**];
 - viii. the authorization of Anne Schlafly Cori to pursue a liability insurance contract covering Directors and Officers of the Eagle Forum 501(c)(4) [**the Fifth Successful Motion**];
 - ix. the adoption of the resolution (1) that neither the Runnymede Law Group, nor any other law firm, has been engaged to represent the Eagle Forum 501(c)(4); (2) that Smith shall advise the Runnymede Law Group that it does not represent the Eagle Forum 501(c)(4); and that it shall not hold itself out to any third party as the Eagle Forum 501(c)(4)'s legal counsel; and (3) that only the Eagle Board shall have the authority to engage legal counsel to represent the Eagle Forum 501(c)(4) [**the Sixth Successful Motion**]; and
 - x. that Martin's removal as President of the Eagle Forum 501(c)(4) was effectively immediately on April 11, 2016 [**the Seventh Successful Motion**];
- f. Declaring that, with regard to the Fidelity Account, the U.S. Bank Account and the U.S. Bancorp Account, that only Anne Schlafly Cori and Smith may transact business with respect to such accounts and only Anne

Schlafly Cori, Smith and Linton have signatory authority with respect to the such accounts;

- g. Declaring that that, under the Articles and Bylaws, the Eagle Forum 501(c)(4) may not attempt to nominate, call for an election of, or elect any candidate to be the At-Large Director of the Eagle Forum 501(c)(4) in 2016;
- h. Requiring Defendants to provide an inventory and accounting of the Eagle Forum 501(c)(4), including the identification and valuation of all assets belonging to the Eagle Forum 501(c)(4);
- i. Awarding Plaintiffs their damages in an amount to be proven at the trial of this matter;
- j. Awarding Plaintiffs theirs costs in bringing this action; and
- k. Granting such further and other relief as the Court deems just and proper.

Respectfully submitted,

SPENCER FANE LLP



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VERIFICATION

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

ANNE SCHLAFLY CORI, of lawful age, on her oath states that she is a Director and Executive Director of Eagle Forum, and that the facts and statements contained in the foregoing Complaint are true to the best of her knowledge, information and belief.



ANNE SCHLAFLY CORI

Subscribed and sworn to before me this 21 day of April, 2016.



Notary Public

My commission expires:
Oct. 24, 2017



MEGAN D. MEADOWS
My Commission Expires
October 24, 2017
St. Louis County
Commission #13541034

VERIFICATION

STATE OF ALABAMA)
) SS
COUNTY OF Jefferson)

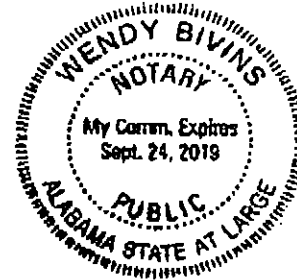
EUNIE SMITH, of lawful age, on her oath states that she is a Director, First Vice President and acting President of Eagle Forum, and that the facts and statements contained in the foregoing Complaint are true to the best of her knowledge, information and belief.

Eunie Smith
EUNIE SMITH

Subscribed and sworn to before me this 21st day of April, 2016.

Wendy Bivins
Notary Public

My commission expires: Sept. 24, 2019



Certificate Number. 27505



To all to whom these presents shall come, Greeting:

Whereas, Articles of Incorporation duly signed and verified, of

EAGLE FORUM

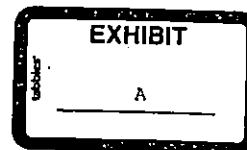
have been filed in the Office of the Secretary of State on the 20th day of October A. D. 1975, as provided by the GENERAL NOT FOR PROFIT CORPORATION ACT of Illinois approved July 17, 1973, in force January 1, A. D. 1974.

Now Therefore I, MICHAEL J. HOWLETT, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this Certificate of Incorporation, and attach thereto a copy of the Articles of Incorporation of the aforesaid corporation.

In Testimony Whereof, I have set my hand and cause to be affixed the Great Seal of the State of Illinois Done at the City of Springfield, this 20th day of October A. D. 1975, and of the Independence of the United States the one hundred and 00

(SEAL)

Michael J. Howlett
SECRETARY OF STATE



Filing Fee \$25.00

FORM NP-23

ARTICLES OF INCORPORATION
UNDER THE
GENERAL NOT FOR PROFIT CORPORATION ACT
(These Articles Must Be Filed In Duplicate)

(Do Not Write In This Space)

Date Paid 10-20-75
Filing Fee \$25.00
Class

To Michael J. Howlett, Secretary of State, Springfield, Illinois

We, the undersigned, (Not less than three)

6127 19

Name	Number	Street	Address City	State
Phyllis Schlafly	68 Fairmount,	Alton, Illinois	62002	
Elsaine Middendorf	3930 Eiler St.	St. Louis, Mo.	63116	
Margaret Gaul	5 Carrollwood	Godfrey, Ill.	62035	

being natural persons of the age of twenty-one years or more and citizens of the United States, for the purpose of forming a corporation, under the "General Not For Profit Corporation Act" of the State of Illinois, do hereby adopt the following Articles of Incorporation:

- The name of the corporation is: Eagle Forum
- The period of duration of the corporation is: perpetual
(Please state "perpetual" or a definite number of years)
- The address of its initial Registered Office in the State of Illinois is: 68 Fairmount
Street in the City of Alton (62002) County of Madiann and
City Code
the name of its initial Registered Agent at said Address is: Phyllis Schlafly

- The first Board of Directors shall be 5 in number, their names and addresses being as follows:
(Not less than three)

Name	Number	Street	Address City	State
Phyllis Schlafly	68 Fairmount	Alton, Ill.	62002	
Tom Ellis	3711 Rosemont	Nashville, Tenn.	37215	
Lottie Beth Hobbs	P. O. Box 3304	Fort Worth, Texas	76105	
Elsaine Middendorf	3930 Eiler St.	St. Louis, Mo.	63116	
Margaret Gaul	5 Carrollwood	Godfrey, Ill.	62035	

- The purpose or purposes for which the corporation is organized are:
To provide educational services of all kinds for women and in support of moral, family, and patriotic principles.

PAID

OCT 22 1975

(OVER)

Michael J. Howlett
Secretary of State

(Note: Any special provision authorized or permitted by statute to be contained in the Articles of Incorporation, may be inserted above.)

(INCORPORATORS MUST SIGN BELOW)

Phyllis Schlsfly
Margaret Gaul
Elaine Middendorf

Incorporators

ACKNOWLEDGMENT

STATE OF ILLINOIS,
County of MADISON

I, the undersigned a Notary Public do hereby certify that on the
7th day of October, 1975 Phyllis Schlsfly
Margaret Gaul and Elaine Middendorf
(Names of Incorporators)

personally appeared before me and being first duly sworn by me severally acknowledged that they signed the foregoing document in the respective capacities therein set forth and declared that the statements therein contained are true.
IN WITNESS WHEREOF, I have hereto set my hand and seal the day and year above written.



MY COMMISSION EXPIRES JUNE 5, 1978

Phyllis Schlsfly
Notary Public

5075-778-1

FORM NP-20
ARTICLES OF INCORPORATION
under the
GENERAL NOT FOR PROFIT
CORPORATION ACT

Engle Forum

FILED

OCT 20 1975

Michael J. Howard

SECRETARY OF STATE

(These Articles must be recorded and filed in
Perishable)

Filing Fee \$25.00

Rev. 2 11-65

COM-303-4-73

File Number 5075-778-1



To all to whom these Presents Shall Come, Greeting:
I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ATTACHED HERETO IS A TRUE AND CORRECT COPY, CONSISTING OF 3 PAGE(S), AS TAKEN FROM THE ORIGINAL ON FILE IN THIS OFFICE FOR EAGLE FORUM.



Authentication #: 1603302217 verifiable until 02/02/2017.
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 2ND
day of FEBRUARY A.D. 2016

Jesse White

SECRETARY OF STATE

BYLAWS
OF
EAGLE FORUM

ARTICLE ONE — NAME

SECTION 1. The name of this organization shall be Eagle Forum. The Board of Directors shall protect the name "Eagle Forum" and may authorize its use by State Eagle Forums and local Eagle Forum Chapters in accordance with Articles Eight and Ten, respectively.

SECTION 2. Eagle Forum is a non-profit, voluntary membership, non-sectarian, non-partisan corporation formed under the Illinois General Not For Profit Corporation Act. The corporation shall maintain a registered agent within the State of Illinois, and may have other offices outside of the State of Illinois as the Directors may determine.

ARTICLE TWO — PURPOSES

The purposes of Eagle Forum are as follows:

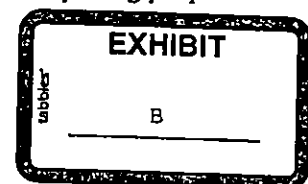
SECTION 1. To educate, inform, instruct and train the public on current national and local subjects beneficial to the community, consistent with the principles outlined immediately below. In so doing, through public discussion groups, forums, panels, lectures, study groups, the internet, and other similar programs through mail or the media, an effort will be made to present a sufficiently full and fair exposition of pertinent facts to permit individuals and the public to form independent opinions or conclusions.

SECTION 2. To promote social welfare and individual freedom; to study on a non-partisan basis proposed legislation by the Congress of the United States, State Legislatures, local governing bodies, or other governmental bodies or agencies affecting social and economic problems facing individuals; to support a nonpartisan alliance of citizens interested in preserving and enhancing individual freedom for all Americans.

SECTION 3. To encourage the holding of regular public meetings by the national organization and local chapters for the presentation of panel discussions, lectures, film presentations, or other educational materials. To distribute educational literature (books, articles, pamphlets, issue papers, etc.) to the public in order to achieve the widest possible

audience. Through the national, regional and local chapter organizations, to make available additional educational literature, tapes, films, television and radio programs, and other research materials, to aid in obtaining quality speakers, business, journalistic and academic leaders; to maintain an ongoing contact with all members and supporters in order to promote information, educational programs and activities, research, and ideas for civic programs and projects; and to raise funds to finance these activities, educational programs and projects.

SECTION 4. To sponsor national, regional and local seminars and public meetings, with the participation of speakers and panels from various other organizations, for the purpose of general education and to provide local forums to alert the public about present or proposed governmental actions, legislation, or policies. To provide aid and information to students and young people to assist



them in achieving full citizenship participation in our nation.

SECTION 5. No funds of the corporation shall be used to participate in or intervene in any political campaign on behalf of any candidate for public office. Notwithstanding the foregoing, Eagle Forum shall be free to communicate with its own members on any subject, and its members, directors and officers are free to participate as individuals in politics and government.

ARTICLE THREE — PRINCIPLES

SECTION 1. Eagle Forum supports the Declaration of Independence and its fundamental doctrine that we owe our existence to a Creator who has endowed each of us with unalienable rights; and supports the United States Constitution as the instrument of securing those God-given rights.

SECTION 2. Eagle Forum supports all the rights of individuals guaranteed in the United States Constitution, plus the right to equal opportunity in employment and education for all persons regardless of race, creed, gender, age, or national origin.

SECTION 3. Eagle Forum supports Holy Scriptures as providing the best code of moral conduct yet devised; the family, with certain rights and responsibilities, as the basic unit of society; and the laws and customs that protect or tend to protect the moral, social and economic integrity of traditional marriage and the family.

SECTION 4. Eagle Forum's mission is to enable citizens to participate in the process of self-government and public policymaking so that America will continue to be a land of individual liberty, sovereign independence, limited government, family integrity, private enterprise, and public and private virtue.

ARTICLE FOUR — MEMBERSHIP

SECTION 1. Any person who demonstrates substantial agreement with the purposes and principles stated in Articles Two and Three of these Bylaws may become a member of Eagle Forum upon payment of dues to the national office (unless waived for good cause) and approval by the Board of Directors.

SECTION 2. The Board of Directors may refuse to accept an application for membership from, or revoke or suspend the membership of, any individual who engages in activities which the Board believes are contrary to the purposes and principles of the organization, except that membership may not be denied or revoked for reasons of race, creed, color, national origin, or gender.

SECTION 3. Each member shall pay regular dues in an amount to be established by action of the Board of Directors, unless such payment is waived for good cause.

ARTICLE FIVE — BOARD OF DIRECTORS

SECTION 1. All powers of the organization shall be exercised by the Board of Directors, which may delegate to individual officers, to state presidents, or to committees, such powers as it deems fit, in addition to the powers specified in these Bylaws.

SECTION 2. The number which shall constitute the Board of Directors shall not exceed eight regular members plus one At-Large Director. A majority of all the Directors then serving shall constitute a quorum.

SECTION 3. The Board of Directors shall meet at least once a year at the call of the President or of three members of the Board. Notice of the meetings, specifying the time and place, shall be

mailed to each director at least ten days prior to the date of the meeting.

SECTION 4. At the annual meeting in the odd-numbered years, the Board of Directors shall elect up to eight regular members of the Board for the next biennium. Directors shall serve for a term of two years, or until their successors are elected. Any vacancies that occur between the biennial elections shall be filled by the Board of Directors in the same manner. Directors shall take office immediately upon their election. The affirmative vote of two-thirds of all the Directors then serving shall be required for election. Directors who are first elected after January 1, 2007 shall be limited to two consecutive two-year terms on the Board of Directors. After an interval of one full year, former Directors would be eligible to serve again. Directors in office prior to January 1, 2007 shall not be subject to any term limit.

SECTION 5. At the annual meeting in the odd-numbered years, the Board of Directors shall nominate three members of Eagle Forum for election to the position of At-Large Director. Nominations shall be submitted to the full membership of Eagle Forum by mail ballot. The nominee who receives the largest number of votes shall be elected, and shall take office immediately. The At-Large Director shall serve for a term of two years, or until a successor is elected.

SECTION 6. Any action may be taken by the Board of Directors without a meeting if a consent in writing, setting forth the action taken, is signed by all Directors. Such consent shall have the same effect as a unanimous vote.

ARTICLE SIX — OFFICERS

SECTION 1. The officers of the organization shall be the President, First Vice President, Second Vice President, Secretary, and Treasurer.

SECTION 2. The officers of the organization shall be elected by the Board of Directors at the annual meeting in the odd-numbered years. The officers shall take office immediately and serve for a term of two years, or until their successors are elected. The affirmative vote of two-thirds of all the Directors then serving shall be required for election.

SECTION 3. The President shall preside at all meetings of the organization, Board of Directors and the Advisory Board. The President shall appoint, subject to the approval of the Board of Directors, all committees, temporary or standing, and the members of the Advisory Board.

SECTION 4. The First and Second Vice Presidents shall, in their turn, exercise the powers of the President in case of disability, illness, or absence of the President, and perform such other duties as authorized by the Board of Directors.

SECTION 5. The Secretary shall record all the proceedings and votes of the Board of Directors and keep minutes thereof. The Secretary shall keep the records of the organization in appropriate books and perform the general duties incident to the office of Secretary.

SECTION 6. The Treasurer shall have the care and custody of the organization's funds, keep full and accurate accounts of the receipts and disbursements of all monies received and paid on account of the organization, file all forms required by federal and state laws, exhibit such books of account and records to any of the Directors upon request, render a detailed statement to the Directors as often as they require it, and order an independent audit of the organization funds at least once per year.

ARTICLE SEVEN — STANDING COMMITTEES

SECTION 1. Chairmen and members of standing or temporary committees may be appointed by the President, with the approval of the Board of Directors.

SECTION 2. Chairmen and members of the standing or temporary committees shall exercise such powers and pursue such activities as authorized by the Board of Directors.

ARTICLE EIGHT — STATE EAGLE FORUMS

SECTION 1. The Board of Directors may charter State Eagle Forums under a State President, which shall carry out activities within their own states directed toward furthering the purposes and principles of Eagle Forum, as set forth in Articles Two and Three of these Bylaws.

SECTION 2. State Eagle Forum bylaws must be in harmony with these Bylaws. States shall file a copy of their bylaws with the national Eagle Forum. State Eagle Forums may be disbanded by the Board of Directors if the Board of Directors believes that such action will promote the best interests of Eagle Forum.

SECTION 3. State Presidents may be appointed by the President, with the approval of the Board of Directors. Each State President shall serve for a term of one year, subject to removal for cause by the President with the concurrence of the Board of Directors. State Presidents shall be eligible for reappointment.

SECTION 4. The State Presidents shall provide a general liaison with and among the local chapters within their respective states, toward the end that they may function in harmony with the purposes and principles of the national Eagle Forum. State Presidents shall assist local chapters in building membership and give them guidance in carrying out activities. Other activities by State Presidents on behalf of Eagle Forum shall be only by special authority of the President or Board of Directors.

SECTION 5. State Eagle Forums may not engage in activities that are contrary to the purposes of this organization or which promote Communism, Socialism, Fascism, or racial or religious discrimination. No funds of State Eagle Forums shall be used to participate in any political campaign on behalf of any candidate for public office. Notwithstanding the foregoing, State Eagle Forums shall be free to communicate with their own members on any subject, and its members, directors and officers are free to participate as individuals in politics and government.

SECTION 6. State Presidents or State Eagle Forums may not incur any financial liability for the national Eagle Forum.

ARTICLE NINE — ADVISORY BOARD

SECTION 1. The Advisory Board shall consist of State Presidents and Chairmen of National Committees.

SECTION 2. The Advisory Board shall meet on call of the President or three members of the Board of Directors for the purpose of promoting liaison between chapters and members and for exchange of information and ideas. The Advisory Board may make recommendations to the Board of Directors.

ARTICLE TEN — LOCAL CHAPTERS

SECTION 1. The Board of Directors may charter local Eagle Forum chapters, which shall carry out, subject to the direction of the Board of Directors and the respective State President, activities within their own areas directed toward furthering the purposes and principles of Eagle Forum, as set forth in Articles Two and Three of these Bylaws.

SECTION 2. Local chapter bylaws must be in harmony with these Bylaws. Chapters shall file a copy of their bylaws with the national Eagle Forum. Local chapters may be disbanded by the Board of Directors if the Board of Directors believes that such action will promote the best interests of Eagle Forum.

SECTION 3. Chapter Presidents shall be appointed by the National President, subject to approval by the Board of Directors, on recommendation by the State President. Chapter Presidents may be removed by the Board of Directors, if the Board of Directors believes that such action will promote the best interests of Eagle Forum.

SECTION 4. Local chapters may not engage in activities that are contrary to the purposes of this organization or which promote Communism, Socialism, Fascism, or racial or religious discrimination. No funds of Eagle Forum chapters shall be used to participate in any political campaign on behalf of any candidate for public office. Notwithstanding the foregoing, Eagle Forum members are free to participate as individuals in politics and government.

SECTION 5. Local chapters may not incur any financial liability for the national Eagle Forum or the State Eagle Forum.

ARTICLE ELEVEN — AFFILIATES

SECTION 1. Any other organization that is in substantial agreement with the principles as stated in Article Three of these Bylaws may affiliate with Eagle Forum upon completion of an application form so stating, and approval by the Board of Directors.

SECTION 2. The Board of Directors may refuse to accept an application for affiliation from, or terminate the affiliation of, any organization which engages in activities that are contrary to the purposes and principles of Eagle Forum, as stated in these Bylaws, except that affiliation may not be denied or terminated for reasons of race, creed, color, national origin, or gender.

SECTION 3. Each affiliate organization shall pay an annual fee in an amount to be determined by the Board of Directors.

SECTION 4. Any other organization whose bylaws or policies prohibit affiliation may notify Eagle Forum in writing of its general endorsement of the principles of Eagle Forum, as stated in Article Three. Such notification shall incur no liability on either organization, and may be terminated at any time. Such endorsement shall not be publicly used by Eagle Forum without the written approval of the endorsing organization.

ARTICLE TWELVE — PROCEDURE

SECTION 1. These Bylaws may be amended by unanimous vote of the Board of Directors, or by the affirmative vote of two-thirds of all the Directors then serving, provided notice of the proposed changes is mailed to each Director at least ten days in advance of the meeting.

SECTION 2. All matters not covered by these Bylaws shall be governed by Robert's Rules of Order Newly Revised.

Adopted September 21, 1978; amended September 23, 1993; amended September 23, 1999; amended September 20, 2001; amended September 20, 2007.

In accordance with the Eagle Forum By-Laws, "The Board of Directors shall meet at least once a year at the call of the President or of 3 members of the Board. Notice of the meetings, specifying the time and place, shall be mailed to each director at least 10 days prior to the date of the meeting." (Article Five: Board of Directors), the Directors listed below call for a meeting by telephone conference on Monday, April 11, 2016, at 2 PM Central Daylight Time.

The call is open only to existing C4 Governing Board members, who are Chairman Phyllis Schlafly, Vice Chairman Anne Cori, First Vice President Eunice Smith, Second Vice President Cathie Adams, Shirley Curry, Rosina Kovar, Carolyn McLarty, Andy Schlafly, John Schlafly, LaNeil Spivy, Kathleen Sullivan.

Also according to the By-Laws, the First Vice-President presides in absence of the President who is not a Board Member. If you have any items you would like on the Agenda, please send them to ajaeagle@charter.net.

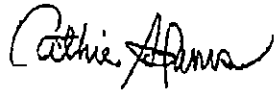
The purpose of the meeting is for the Board to fulfill its duty of governance under both the IRS code for tax exempt organizations and the Illinois Not for Profit Corporations Act, which vest management of the affairs of the corporation in the Board of Directors. In terms of the years of selfless service countless volunteers including those on this call have invested in Eagle Forum causes, the purpose of the meeting is to ensure that Eagle Forum will continue long into the future as a viable force for all the causes we have addressed in the past for God, family, country. As Phyllis has said so many times, Eagle Forum has to continue in the fight. We cannot allow unprecedented division to divide and destroy Eagle Forum whose state leaders make her a power to be reckoned with.

We hope everyone can participate! Please RSVP to ajaeagle@charter.net.

Conference call numbers are

phone: 602-333-2017

access: 1022676



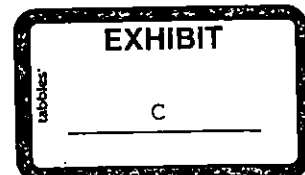
Cathie Adams



Shirley Curry



Eunice Smith



Minutes of the Eagle Forum Board Meeting, April 11, 2016

Eunie Smith called the roll of those authorized to be on this call.

The following members were in attendance: Phyllis Schlafly, John Schlafly, Anne Schlafly Cori, Cathie Adams, Carolyn McLarty, Eunice Smith, Shirley Curry, and Rosina Kovar. Andy Schlafly, Kathleen Sullivan, and LaNeil Spivy were absent. She announced a quorum.

Attorneys Steve Clark and Joel Rolf and Ed Martin and Ryan Hite were also in attendance. Mr. Clark interrupted the meeting numerous times.

Phyllis Schlafly made a statement that she did not like teleconference calls, and preferred meetings face to face. She recorded her objection. Eunie Smith thanked Phyllis saying: "We all agree with you that we would prefer to meet in person, but I did appreciate the fact that you offered in an email to the board to conduct this telephone conference call from the Headquarters." Phyllis has spent her life building up the organization of Eagle Forum, and spoke of the importance of volunteers. She said that we don't control or tell the volunteers what to do. State leaders are independent, and staff cannot order volunteers to do things. She wants Eagle Forum to continue to be the center of the conservative movement. She welcomed all of us to the meeting. Eunie Smith thanked Phyllis and pointed out that Phyllis's comments reiterated the purpose of the meeting in the call which was "to ensure that Eagle Forum continue long into the future as a viable force for all the cause which we have addressed in the past for God, family, country."

Phyllis Schlafly and John Schlafly objected to the meeting.

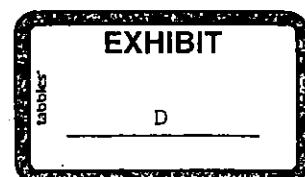
Ed Martin tried to adjourn the meeting.

~~Anne Cori moved that we go into Executive Session, which Eunie Smith implemented after it~~ passed by voice vote. To restore order, she muted all callers and read the agenda as follows.

Eunie presented the Agenda:

- a. Office of the President
- b. Conflict of Interest Policy
- c. Call for a complete and independent audit
- d. Call for Officers and Directors Liability Insurance
- e. Legal Representation (clarity on use of EF funds)
- f. The on-going fight on Con Con
- g. Our work on the Republican Party Platform
- h. Motions to replace Board Members—need a 20 day notice.
- i. By-laws Updates and next meeting
- j. Further Business
- l. Motion to adjourn

Eunie Smith said a prayer in the absence of LaNeil Spivy. She appointed Carolyn McLarty as parliamentarian and Rosina Kovar as Secretary.



The presiding officer said that since we were in Executive Session because we would be discussing sensitive personnel issues, we would expect that only those who are active board members would be participating in the meeting going forward until and unless we go out of Executive Session.

To proceed with the agenda, she unmuted all callers.

Shirley Curry moved that Ed Martin be removed as President of Eagle Forum, a 501(c)(4) organization. Carolyn McLarty second. Attorney Steve Clark repeatedly interrupted proceedings.

Eunie Smith asked for a roll call vote. Anne Cori, Cathie Adams, Carolyn McLarty, Eunie Smith, Shirley Curry, and Rosina Kovar voted "yes." Phyllis Schlafly and John Schlafly objected. Passed 6 to 0, with 2 objections.

Cathie Adams made a motion that Eunie Smith be Interim President of Eagle Forum. It was seconded. These directors voted aye: Anne Cori, Cathie Adams, Carolyn McLarty, Eunie Smith, Shirley Curry, and Rosina Kovar. Phyllis Schlafly and John Schlafly objected. Since 8 votes are needed to elect officers, the motion did not pass. Upon the failure of that motion, Eunie Smith read the ByLaws Article Six, Section 4 to establish that since the office of president is now vacant, according to the by-laws, the First Vice-President automatically serves as president. Eunie Smith is therefore serving as president of Eagle Forum.

Eunie Smith appointed Dr. Shirley Curry to form a Search Committee for the next president of Eagle Forum.

Eunie Smith appointed Anne Schlafly Cori as Executive Director.

Eunie Smith asked for a roll call vote. Anne Cori, Cathie Adams, Carolyn McLarty, Eunie Smith, Shirley Curry, and Rosina Kovar voted "yes." Phyllis Schlafly and John Schlafly objected. Passed 6-0, with 2 objections.

Motion by Anne Cori asked for signature authorization on the bank accounts with second by Cathie Adams as follows:

- 1) That the following officers of Eagle Forum are authorized to transact business with respect to Eagle Forum accounts with banks and other financial institutions, such as investment advisors and stock brokers: Anne Cori, Vice-Chair and Eunie Smith, First Vice-President.
- 2) That all prior resolutions for authorized signatures on bank and other financial institution accounts are hereby revoked.
- 3) That funds may be withdrawn from such institutions or checks written on them on the signature of any one of the following:

_____	Anne Cori
_____	Eunie Smith
_____	Lois Linton

4) That Vice-Chair Anne Cori is authorized to notify each financial institution of the currently authorized officers authorized to sign with respect to each account and to sign any form of certification of this resolution or its content.

Eunie Smith asked for a roll call vote. Anne Cori, Cathie Adams, Carolyn McLarty, Eunie Smith, Shirley Curry, and Rosina Kovar voted "yes." Phyllis Schlafly and John Schlafly objected. Passed 6-0 with 2 objections.

Shirley Curry made a motion for a Conflict of Interest Policy that no board member of Eagle Forum, which is a 505(c)(4) organization shall be an employee of Eagle Forum. Cathie Adams, second. Eunie Smith asked for a roll call vote. Anne Cori, Cathie Adams, Carolyn McLarty, Eunie Smith, Shirley Curry, and Rosina Kovar, voted "yes." Phyllis Schlafly and John Schlafly objected. Passed 6-0, with 2 objections.

Anne Cori made a motion to contract with a CPA for a complete and independent audit of the 501(c)(4) Eagle Forum. It was seconded by Cathie Adams. She clarified that the proposal was to find a firm with which to contract after official approval. Eunie Smith called for a roll call vote. Anne Cori, Cathie Adams, Carolyn McLarty, Eunie Smith, Shirley Curry, and Rosina Kovar voted "yes." Phyllis Schlafly and John Schlafly objected. Passed 6-0, with 2 objections.

Eunie Smith made a motion to instruct the First Vice President who is acting as president to pursue contract for Officers and Directors liability insurance. Cathie Adams second. Eunie Smith asked for a roll call vote. Anne Cori, Cathie Adams, Carolyn McLarty, Eunie Smith, Shirley Curry, and Rosina Kovar voted "yes." Phyllis Schlafly and John Schlafly objected. Passed 6-0 with 2 objections.

~~Anne Cori moved the following resolution: Several members of the Board of Directors have received a letter from the Runnymede Law Group stating that it represents Eagle Forum. The Board of Directors of Eagle Forum has not acted to appoint legal counsel to represent it. Nor can the firm represent the Board against its majority. At this time, neither the Runnymede Law Group nor any other law firm has been engaged to represent Eagle Forum. First Vice President Eunie Smith shall respond to Runnymede Law Group stating that it does not represent Eagle Forum, and it shall not represent itself to anyone as legal counsel to Eagle Forum or stating that it represents Eagle Forum. Only the Board of Directors of Eagle Forum shall have the authority to engage legal counsel to represent Eagle Forum.~~

The motion was seconded by Carolyn McLarty.

Eunie Smith called for a roll call vote. Anne Cori, Cathie Adams, Carolyn McLarty, Eunie Smith, Shirley Curry, and Rosina Kovar voted "yes." Phyllis Schlafly and John Schlafly objected. Motion passed 6-0 with 2 objections.

Eunie Smith moved to agenda items placed by Phyllis Schlafly in email dated April 4.

She asked about the on-going fight on the Con Con. Rosina Kovar reported that they educated the legislators, who were for it last year, and gave them Orlean's book, that she wrote on the Con Con. They are now against it, and it has not been brought up this year at the Colorado legislature. Cathie Adams reported that Pat Carlson of Texas took on the fight in Texas and

defeated it. Carolyn McLarty reported that Bunny Chambers in Oklahoma says it is stuck in committee there.

The Delegates to the National Republican Convention. Rosina Kovar reported that in Colorado, we elected an Eagle, Anita Stapleton, who has been all over this state fighting Common Core. We also have two people on the Platform Committee, who have our values on life, marriage, and the 2nd amendment. Carolyn McLarty reported that Mike Mears and Ben Key will be working on the National Platform committee.

On the last Schlafly agenda item, motions to replace particular Board members, Eunie Smith reported that under Illinois law, we have to give at least 20 days notice to replace Board Members so motions on this item would be out of order. She announced that the next Board meeting will be on May 2nd, at 2:00 p.m. Central time. That will also be the meeting to replace directors who violate the Conflict of Interest Policy. Eunie Smith indicated that she would appoint a committee to update the ByLaws.

At Eunie Smith's invitation, Phyllis Schlafly made closing remarks.

Shirley Curry made a motion that Ed Martin's removal as President of Eagle Forum 501(c)(4) be immediate. Seconded by Cathie Adams. Eunie Smith asked for a roll call vote. Anne Cori, Cathie Adams, Carolyn McLarty, Eunie Smith, Shirley Curry, and Rosina Kovar voted "yes." Motion passed 6-0 with 2 objections.

Cathie Adams moved to adjourn with second by Carolyn McLarty. Eunie Smith asked for a roll call vote. Anne Cori, Cathie Adams, Carolyn McLarty, Eunie Smith, Shirley Curry, and Rosina Kovar voted yes. Motion passed 6-0 with 2 objections.

~~Submitted by Rosina Kovar, Recording Secretary~~



April 11, 2016

Stephen R. Clark
Runnymede Law Group

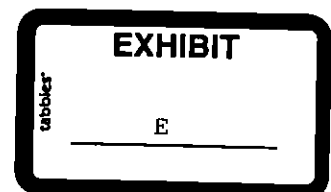
Dear Mr. Clark:

At the meeting held on April 11, 2016, a majority of the Board of Directors of Eagle Forum voted to adopt a resolution confirming that Eagle Forum has not acted to appoint legal counsel to represent it. At this time, neither the Runnymede Law Group nor any other law firm has been engaged to represent Eagle Forum.

Please be advised that neither you nor your firm, Runnymede Law Group, is authorized to represent Eagle Forum as its legal counsel. Accordingly, you should refrain from holding yourself as legal counsel to Eagle Forum, effective immediately.

Sincerely,

Eunie Smith
First Vice President





April 11, 2016

Dear Mr. Martin:

Please allow this letter to confirm that you have been terminated as President of the 501(c)(4) social welfare organization, Eagle Forum, pursuant to a majority vote of the Board of Directors and in accordance with Illinois state law.

As such, you are directed not to take any action from this point forward that states, implies, or otherwise holds yourself out as an officer of the 501(c)(4) entity, including contacting members, speaking to the press, or posting on social media on behalf of the organization.

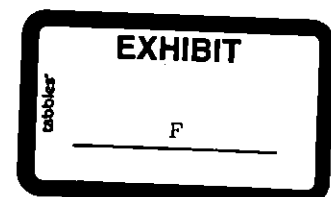
You are further directed to return all property in your possession relating to the 501(c)(4) entity, including tangible and intellectual property, such as user names, passwords, e-mail lists for the 501(c)(4) entity, keys, electronics, and the like. Please send all such property to 9715 Litzinger Road; St. Louis, MO 63124 by 4/17/2016. Your final paycheck relating to your work for the 501(c)(4) through April 11, 2016, is being calculated and will be paid on your next normal pay date, or as soon thereafter as practicable.

You are instructed not to communicate or direct any activities of the staff members of the 501(c)(4) office. I am informing the staff in Alton of your termination and not to take any instruction from you going forward.

Sincerely,

Eunie Smith

Eunie Smith
First Vice President





April 11, 2016

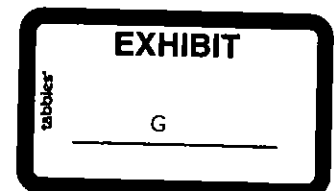
Dear Eagle Forum Staff:

Please be advised that effective immediately, Ed Martin has been removed as President of Eagle Forum. You are instructed to no longer take direction or instruction from Mr. Martin relating to your work. Per the Eagle Forum Bylaws, I have stepped into the role of President until a new person is elected. Additionally, I have appointed Anne Schlafly Cori to step in as Executive Director, and she will be reaching out to you to discuss the transition and activities going forward very soon.

Sincerely,

Eunie Smith

Eunie Smith
First Vice President



Fidelity Brokerage Services LLC
245 Summer Street KP3K, Boston, MA 02210



April 18, 2016

Anne Cori
9715 Litzsinger Rd
Saint Louis, MO 63124-1057

RE: Accounts ending 9803 and 9790

Dear Ms. Cori:

It has recently come to our attention that there is a dispute as to which individuals should be authorized to transact on the above referenced accounts. Accordingly, Fidelity has restricted the accounts from trading and withdrawals until there is resolution of this issue. In order to remove the restrictions, we require notarized letters from all interested parties indicating a consensus as to who is authorized to act, or a court order outlining who should be authorized on the accounts. This information can be sent to the following address:

Fidelity Investments

~~Attn: Evan Jent~~

245 Summer Street KP3K
Boston, MA 02210

Additionally, we understand you may need to perform transactions on your accounts in the interim. We are willing to accommodate reasonable requests upon receipt of a signed letter of instruction from all currently authorized individuals. This letter can be faxed to 877-330-2462.

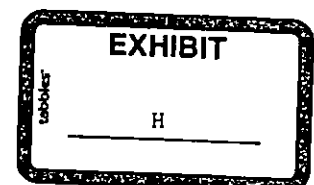
If you have any additional questions or need to inquire about specific transactions, please contact us at 800-544-5704. Representatives are available Monday through Friday, 8 a.m. until 11 p.m. ET.

Sincerely,

A handwritten signature in black ink, appearing to read "EJent", written over a horizontal line.

Evan Jent
Executive Office

W024396-13APR16



On Apr 18, 2016, at 6:31 PM, Phyllis Schlafly <phyllis@eagleforum.org> wrote:

Board Members,

As is our custom, I am seeking nominations for the at-large director of Eagle Forum, a non-profit 501(c)(4) corporation, to be elected by the membership. Please send me any nominee you have by 6 pm central time on Tuesday, April 19, 2016.

Faithfully,

Phyllis



IN THE CIRCUIT COURT
THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

ANNE SCHLAFLY CORI, as a Director and the)
Executive Director of Eagle Forum,)

EUNIE SMITH, as a Director, the First Vice)
President and the acting President of Eagle Forum,)

CATHIE ADAMS, as a Director and the Second)
Vice President of Eagle Forum,)

CAROLYN McLARTY, as a Director of Eagle)
Forum,)

ROSINA KOVAR, as the At-Large Director of)
Eagle Forum,)

and)

SHIRLEY CURRY, as a Director of Eagle Forum,)

Plaintiffs,)

v.)

EDWARD R. MARTIN, JR.,)
Serve at: 1519 Indian Hill Lane)
Ballwin, MO 63021)

JOHN F. SCHLAFLY,)
Serve at: 322 State Street, Suite 301)
Alton, IL 62002)

Defendants,)

and)

EAGLE FORUM, an Illinois Not For Profit)
Corporation,)
Serve: Registered Agent)
322 State Street, Suite 301)
Alton, IL 62002)

Nominal Defendant.)

FILED

APR 22 2016

CLERK OF CIRCUIT COURT #8
THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

Cause No.: 16MR111

DECLARATORY AND
INJUNCTIVE RELIEF SOUGHT

MOTION TO APPOINT SPECIAL PROCESS SERVER

COME NOW Plaintiffs, by their Attorneys, and pursuant to 735 ILCS 5/2-202, motion this Court for entry of an Order appointing Mark Smith of Markell & Associates, Inc., 2300 West Port Plaza Drive, Suite 202, St. Louis, MO 63146, 314-469-5555, as a special process server to make service of process in this case and in support thereof states the following:

1. Immediate service of process is necessary to protect the interests of the Plaintiffs herein.
2. The following Private Detective Agency to be appointed is licensed in the State of Illinois.

WHEREFORE Plaintiffs pray for the appointment of Mark Smith of Markell & Associates, as private process server herein to make service of process in this matter.

Respectfully submitted,

SPENCER FANE LLP



Erik O. Solverud # 6231306
Megan D. Meadows #6314885
Arthur D. Gregg #6319204
1 North Brentwood Blvd., Suite 1000
St. Louis, MO 63105
(314) 863-7733
(314) 862-4656 (facsimile)
esolverud@spencerfane.com
mmeadows@spencerfane.com
agregg@spencerfane.com

Attorneys for Plaintiffs

IN THE CIRCUIT COURT
THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

ANNE SCHLAFLY CORI, as a Director and the Executive Director of Eagle Forum,)
)
)
EUNIE SMITH, as a Director, the First Vice President and the acting President of Eagle Forum.)
)
)
CATHIE ADAMS, as a Director and the Second Vice President of Eagle Forum,)
)
)
CAROLYN McLARTY, as a Director of Eagle Forum,)
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ROSINA KOVAR, as the At-Large Director of Eagle Forum,)
)
)
and)
)
)
SHIRLEY CURRY, as a Director of Eagle Forum,)
)
)
Plaintiffs,)
v.)
)
EDWARD R. MARTIN, JR.,)
Serve at: 1519 Indian Hill Lane)
Ballwin, MO 63021)
)
)
JOHN F. SCHLAFLY,)
Serve at: 322 State Street, Suite 301)
Alton, IL 62002)
)
)
Defendants,)
)
)
and)
)
)
EAGLE FORUM, an Illinois Not For Profit Corporation,)
Serve: Registered Agent)
322 State Street, Suite 301)
Alton, IL 62002)
)
)
Nominal Defendant.)

FILED

APR 22 2016

CLERK OF CIRCUIT COURT #76
THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

Cause No.: 16MR 111

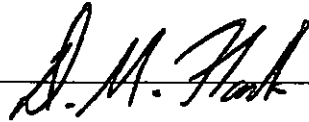
DECLARATORY AND
INJUNCTIVE RELIEF SOUGHT

ORDER APPOINTING SPECIAL PROCESS SERVER

The Court, having considered Plaintiffs' Motion for Appointment of Special Process Server, hereby orders Mark Smith of Markell & Associates, Inc., 2300 West Port Plaza Drive, Suite 202, St. Louis, MO 63146, 314-469-5555, is appointed as a special process server to make service of process upon all Defendants in this matter.

SO ORDERED:

Judge



Date

**IN THE CIRCUIT COURT
THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS**

ANNE SCHLAFLY CORI, as a Director and the Executive Director of Eagle Forum,)
)
)
EUNIE SMITH, as a Director, the First Vice President and the acting President of Eagle Forum,)
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Defendants,)
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Serve: Registered Agent)
322 State Street, Suite 301)
Alton, IL 62002)
)
)
Nominal Defendant.)

FILED

APR 22 2016

CLERK OF CIRCUIT COURT #8
THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

Cause No.: 16 MK 111

DECLARATORY AND
INJUNCTIVE RELIEF SOUGHT

ENTRY OF APPEARANCE

The law firm of Spencer Fane LLP, by and through Erik O. Solverud, Megan D. Meadows and Arthur D. Gregg, hereby enters its appearance on behalf of the Plaintiffs herein.

Respectfully submitted,

SPENCER FANE LLP



Erik O. Solverud # 6231306
Megan D. Meadows #6314885
Arthur D. Gregg #6319204
1 North Brentwood Blvd., Suite 1000
St. Louis, MO 63105
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agregg@spencerfane.com

Attorneys for Plaintiffs