

THE GIRL SCOUTS OF NORTH EAST OHIO,)
 c/o B.D.B. Agent Co., statutory agent)
 3800 Embassy Parkway)
 Suite 300)
 Akron, Ohio 44333)
)
 Defendant.)
)

For their Complaint, Plaintiffs, Lynn Richardson, Lucia Hanigosky, Corey Ann Ringle, Lou Spilker, Kerrin Winter-Churchill, and Rachel Oppenheimer (“Plaintiffs”), being members of The Girl Scouts of North East Ohio, an Ohio non-profit corporation, and being similarly situated with the members of the Girl Scouts of North East Ohio, bring this action on behalf of the Girl Scouts of North East Ohio to enforce the rights of the non-profit corporation which the corporation has itself failed or refused to enforce, therefore, individually, and on behalf of similarly-situated members of The Girl Scouts of North East Ohio, Plaintiffs state as follows:

THE PARTIES

1. Defendant Girl Scouts of Northeast Ohio (hereinafter, “GSNEO” or “Defendant”) is an Ohio non-profit corporation organized as a member organization with its principal place of business in Macedonia, Summit County, Ohio.

2. Plaintiffs are, and were at all times relevant hereto, members of GSNEO and are residents of Cuyahoga County, Ohio (hereinafter, “Members”). As members of GSNEO, Plaintiffs are possessed of member rights set forth in Defendant’s Code of Regulations and otherwise as set forth in Ohio’s non-profit corporation law. Plaintiffs fairly and adequately represent the interests of other similarly situated members of GSNEO. Plaintiffs seek to enforce rights of GSNEO which GSNEO itself has failed or refused to enforce. As such, Plaintiffs have standing to bring this action as a Derivative Action pursuant to Rule 23.1 of

the Ohio Rules of Civil Procedure and as a suit for Declaratory Judgment and Injunctive Relief.

3. A case and controversy exists between the Members and Defendant as to certain actions of the Board of Directors of GSNEO (hereinafter, "Board") and the constitution of the current Board of GSNEO, and other matters as more fully set forth below.

4. Plaintiffs bring this action to preserve certain properties owned by GSNEO, which have been owned and used by GSNEO, its members and scouts, as longstanding camps to promote and support scouting for girls. These properties, specifically are as follows:

- a) Great Trail Camp: approximately 274 acres located at 1103 Lorric Road Malvern, Carroll County, Ohio;
- b) Camp Crowell/Hilaka, approximately 337 acres located at 4374 Broadview Road Richfield, Summit County, OH;
- c) Camp Pleasant Valley: approximately 97.7 acres located at 4520 North Twp. Rd. 76, Green Springs, Seneca County, OH;
- d) Camp Lejnar: Approximately 427 acres located at 6881 Kniffen Road, Painesville, Lake County, OH.

5. This Court has jurisdiction over the parties as Defendant is an Ohio non-profit corporation with its principal place of business in Ohio and has engaged in activities within the State. Venue is appropriate as this matter concerns the disposition of real property located in Carroll County.

6. Plaintiffs, individually and on behalf of GSNEO and its members, bring this derivative action to preserve the properties from actions taken contrary to the law by certain members claiming to act as the GSNEO Board and further seek a preliminary and

permanent injunction to restrain GSNEO from taking illegal action to sell off properties currently owned by GSNEO, which sale would forever permanently harm GSNEO, its members and scouting in Northeast Ohio.

GOVERNANCE OF DEFENDANT

7. Defendant is a public benefit non-profit corporation formed for the purpose of making “available to girls under its jurisdiction the program, practices, and standards of Girl Scouting as offered by the Girl Scouts of the United States of America.”¹ Defendant serves eighteen (18) counties in North East Ohio, spanning an approximate area of 150 miles east to west and 100 miles north to south.

8. Pursuant to its Code of Regulations, Defendant has a constituted and elected General Assembly which is comprised of at least one hundred (100) voting members. The General Assembly is afforded the power to elect the Board and other positions, to “identify the general direction of Girl Scouting” in conjunction with the Board, to submit proposals to the Board, and to act upon matters referred by the Board.

9. By the terms of the Code of Regulations, the Chairperson of the Board shall “see that the lines of direction recommended by the General Assembly are acted upon by the Board...” The General Assembly, moreover, has the power to “identify the general direction of Girl Scouting” in partnership with Defendant’s Board.

10. Defendant has operated in contravention to its Code of Regulations in connection with, among other things, the election of the current Board and in connection with a proposed sale of Girl Scout camps.

¹ Girl Scouts of North East Ohio Code of Regulations.

DEFENDANT'S SCHEME TO SELL THE CAMPS

11. At the time Defendant was formed in 2007, it owned ten Girl Scout camp properties, and four cabins.

12. On or about June 2009, the Board announced that three of the Girl Scout camp properties and the four cabins would either be sold or relinquished. The justification for this reduction was that allegedly only 10% of Defendant's membership utilized the Girl Scout Camps. However, Defendant's purported statistic regarding camp usage is grossly inaccurate and misleading.

13. Defendant is now the owner of only seven (7) properties in the State of Ohio which are used by the Girl Scouts for camping. The properties are known as Camp Timberlane, Camp Lejnar, Camp Crowell/Hilaka, Camp Ledgewood, Camp Sugarbush, Camp Pleasant Valley, and Great Trail Camp.

14. The purpose of the camps are to "provide diverse opportunities and outdoor experiences for girls instilling in them an appreciation and respect for the environment."²

15. Beginning in 2009, the Board engaged the membership in an evaluation process called, "Vision 2012." The Vision 2012 process was promoted ostensibly by the Board as a way to determine which, if any, GSNEO camps could be eliminated.

16. In August of 2009, a property consultant from the Girl Scouts of the United States of America surveyed all existing camps of Defendant. He recommended to Defendant that Defendant promote the unique features of each camp and hire a full-time camp director in order to better utilize the properties.

² Girl Scouts of North East Ohio, *Camping*, <http://www.gsneo.org/camping.aspx> (accessed March 8, 2012)

17. Defendant then conducted a survey of its members, the primary conclusion of which was that camping was essential to Girl Scouting. A summary of the membership survey is attached hereto as Exhibit A.

18. In October of 2010, the Vision 2012 report was released. The Vision 2012 report concluded that there were many options for the management of camp properties, including: increasing efficiency, developing natural resources, expanding current uses, partnering with other organizations, and improving the marketing of the camps. The Vision 2012 report also acknowledged the importance of locating overnight camping within a one (1) hour drive for the Girl Scout troops. The Vision 2012 report further recommended that GSNEO, “recognize and maintain the unique historic and environmental qualities of the properties, including significant water features.”

19. Ignoring the consultant recommendation, its Member survey, and the alternative suggestions of the Vision 2012 report, on March 2, 2011, the Board voted to sell five (5) of the existing seven (7) Girl Scout camps, and transform the remaining two camps into “Premier Leadership Centers.”

20. On April 16, 2011, the Board announced its plan to sell five (5) of the seven (7) Girl Scout camps at a meeting of the General Assembly.

21. As admitted by the Chairperson of the Board, “the way this decision was announced and presented at the April 16, General Assembly meeting was a shock to most in the room.”³

22. The membership of Defendant opposed the Board’s plan because it would provide inadequate capacity for the Girl Scouts, would force parents to drive further than

the one-hour drive recommended by the Vision 2012 Report, because the plan was based upon inaccurate usage information regarding the Girl Scout camps and inaccurate estimates regarding repairs and maintenance required by the Girl Scout camps, and because the plan was not making any assurances about what types of services the two new “Premier Leadership Centers” would offer to the Girl Scouts.

**THE GENERAL ASSEMBLY OF DEFENDANT
PASSES A RESOLUTION OPPOSING THE PLANNED SALES**

23. Following the Board’s announcement of its plan to sell five (5) of the remaining seven (7) Girl Scout camps, the membership of GSNEO expressed profound disapproval.

24. On September 30, 2011, fifty one (51) members of the General Assembly submitted a request for a special meeting of the General Assembly.

25. Meanwhile, in an effort to appease its membership in advance of the special meeting, the Board voted on or about October 3, 2011, to allow Camp Sugarbush to remain open.

26. The requested special meeting was conducted immediately prior to the regularly scheduled annual meeting on October 29, 2011.

27. At the special meeting, the General Assembly passed a resolution to prohibit Defendant from selling any of its camps unless a two-thirds (2/3) majority of the General Assembly approved of the sale (hereinafter, “the Resolution”). Even with the participation of the Board and the Board Development Committee in the vote, the Resolution passed with an approval of sixty percent (60%) of the General Assembly.

³ Girl Scouts of North East Ohio, *Board of Directors Letter to Delegates* (August 11, 2011), <http://www.GSNEO.org/camping/property-updates.aspx> (accessed March 8, 2012).

28. Immediately following the special meeting, the General Assembly convened its regularly scheduled annual meeting for the purpose of, among other things, voting on a new Board of Directors.

29. Defendant's Code of Regulations provides that the Board shall consist of five (5) Officers and "at least ten (10) but not more than fifteen (15)" Directors. By operation of law, within the parameters set by the GSNEO Code of Regulations, the number of Directors is to be established by the members of the organization. Notwithstanding the right of the members to set the number of Directors, Defendant refused to accept voting for Directors up to the limit permitted by the Code of Regulations. In fact, Defendant established a voting process which disqualified any ballot which included votes for Directors beyond the number of Directors set by the Board Development Committee. This limitation clearly violated the rights of the members to establish the number of Directors to the Board, within the parameters set by the Code of Regulations and as allowed by law.

30. Despite the fact that the membership of Defendant objected to the restriction on voting for Directors, Defendant prevented a membership vote for Directors as requested by the members and illegally announced that only the Board Development Committee had the right to determine the number of Directors to be elected.

31. Consequently, Defendant permitted only five (5) Directors to be elected, despite the fact that Members of the General Assembly wished to open the election to establish eight (8) Directors. This conduct violated the provisions of Ohio Revised Code 1701.27 and the Code of Regulations of GSNEO.

32. Upon information and belief, this was an intentional maneuver by the Board to prevent the election of new Directors who would support the retention of the Girl Scout camps.

33. Because of the improper elections, the individuals purporting to act as Directors of the Board did not have the power, right or authority to serve or act on behalf of Defendant.

34. Because of the improper elections, all business purportedly conducted by the Board following the improper October 29, 2011 election is null and void.

35. Despite the Resolution which passed at the special meeting of the General Assembly, the improperly-elected Board, purporting to act on behalf of Defendant, proceeded with its plan to sell four(4) of the remaining seven (7) Girl Scout camps, in direct violation of the Resolution of the General Assembly.

36. In December 2011, the improperly-elected Board, purporting to act on behalf of Defendant, began soliciting bid proposals for the sale of four (4) of the seven (7) remaining Girl Scout camps. The Board submitted Requests for Proposal (RFPs) seeking proposals for the sale of the four camps. The RFPs stated that responses were due to GSNEO by January 31, 2012. Copies of the RFPs prepared by GSNEO seeking bids for the four camps are attached hereto as Exhibits B, C, D and E.

37. Each of the Girl Scout camps is unique property which cannot be replaced once sold.

**EFFORTS MADE TO OBTAIN COMMITMENT OF GSNEO TO PRESERVE THE
PROPERTIES AND TO ENFORCE THE RIGHTS OF GSNEO**

38. Plaintiffs have taken efforts to have the improperly-elected Board cease its plan to sell the Girl Scout camps and to cease soliciting for bids for the properties.

Specifically, Plaintiffs have made written demand to Defendant, requesting assurances that Defendant will not proceed with the sale of the Girl Scout camps. Plaintiff also demanded that Defendant annul the improper October 29, 2011 election, and permit the membership to elect the desired number of directors to the Board.

39. Specifically, Plaintiffs have corresponded frequently with the staff and Board of GSNEO to seek the preservation of the camps and to seek the Board to acknowledge the membership rights to set the number of Directors to the Board. These efforts include the following:

- a) Correspondence dated June 9, 2011 from Plaintiff Richardson to the GSNEO board and staff seeking reconsideration of the determination to sell the camps and seeking to preserve rights of GSNEO as it relates to the camps and the process undertaken by the Board to sell them (Ex. F attached hereto);
- b) Correspondence date November 2, 2011 from GSNEO member, Sarah Spiegler to GSNEO Board members, with copies to Plaintiff Ringle, questioning the failure of the Board to permit the members to vote for Board members to fill vacant spots on the Board (Ex. G attached hereto);
- c) Correspondence dated November 8, 2011 from Plaintiff Spilker to the GSNEO Board Chairman requesting the Board to honor the wishes of the majority of the members as it related to the preservation of the camp properties (Ex. H attached hereto);
- d) Correspondence dated November 15, 2011 from sixteen (16) members to the Board and GSNEO staff requesting that GSNEO cease its efforts to sell the camps (Ex. I attached hereto);
- e) Correspondence dated December 6, 2011 from Plaintiff Richardson to the GSNEO Board and staff seeking the Board to refrain from selling the camp properties in light of the vote of the membership and seeking the Board to permit the membership to fill vacant slots on the Board despite being prevented from doing so by the Board and the staff of GSNEO (Ex. J attached hereto);
- f) Correspondence dated December 12, 2011, from Plaintiff Richardson to the GSNEO Board and staff reiterating the failure of the Board to enforce

the rights of the members of the corporation and suggesting legal action if the request continues to be ignored (Ex. K attached hereto);

- g) Correspondence from GSNEO member Marie Hull-Green to GSNEO staff requesting GSNEO to refrain from wasting valuable assets of GSNEO and to preserve the camps, to reconsider its actions, and noting the failure of GSNEO to respond to requests from the members to seek action from the Board and staff of GSNEO (Ex. L attached hereto);
- h) Correspondence dated February 29, 2012 from counsel for Plaintiffs to counsel for GSNEO seeking the Board to take action to enforce the rights of the corporation to preserve the properties and to address the failure of the Board to allow members to vote for vacancies on the Board and noting the possible need for a derivative action to redress the Board's continued failure (Ex. M attached hereto).

40. Despite the repeated requests from and on behalf of the members, Defendant has failed to or otherwise refuses to take steps to preserve the property, recognize the right of the members to vote for Board vacancies and otherwise to enforce the rights of the corporation. In fact, the Board has clearly signaled its intention to sell the properties notwithstanding the deficiencies of the process and the lack of legitimacy of the current Board. The Board clearly intends to proceed with the sale of the properties and has thus prevented the Plaintiffs from seeking the action they have desired from the Board.

41. Plaintiffs reasonably fear that without immediate judicial intervention the future of the corporation and of Girl Scouting will be jeopardized or lost, and that those purporting to act for Defendant will (a) injure and harm GSNEO, and (b) injure and harm the members of GSNEO and the public who benefit from the good will provided by The Girl Scouts of Northeast Ohio.

COUNT I
DECLARATORY JUDGMENT AS TO AUTHORITY OF
BOARD TO SELL PROPERTIES

42. Plaintiffs reincorporate and re-allege each of the foregoing paragraphs as if rewritten herein.

43. There is a case or controversy between Plaintiffs and those members similarly situated to Plaintiffs and Defendant with respect to whether Defendant's Board could proceed with efforts to sell the Girl Scout camps in light of the Resolution passed by the General Assembly, which provided that no camps would be sold unless the sales were first approved by a two-third (2/3) majority of the General Assembly.

44. Plaintiffs and those members similarly situated to Plaintiffs are entitled to a declaratory judgment finding that:

The Board is not authorized to proceed with efforts to sell the Girl Scout camps until a two-third (2/3) majority of the General Assembly votes to approve the contemplated sale of the Girl Scout camps.

COUNT II
DECLARATORY JUDGMENT AS TO THE
IMPROPER ELECTION OF THE GSNEO BOARD

45. Plaintiffs reincorporate and re-allege each of the foregoing paragraphs as if rewritten herein.

46. There is a case or controversy between Plaintiffs and those members similarly situated to Plaintiffs and Defendant with respect to whether the Board had the power or authority to prevent the General Assembly from electing eight (8) Directors at the annual meeting of GSNEO.

47. Plaintiffs and those members similarly situated to Plaintiffs are entitled to a declaratory judgment finding that:

- (a) The General Assembly is entitled to select the number of Directors, between ten (10) and fifteen (15) who will serve on the Board.
- (b) The Board does not have the power or authority to prevent the General Assembly from electing up to fifteen (15) Directors who will serve on the Board.

COUNT III
DECLARATORY JUDGMENT AS TO THE
IMPROPER ACTIONS OF THE GSNEO BOARD

48. Plaintiffs reincorporate and re-allege each of the foregoing paragraphs as if rewritten herein.

49. There is a case or controversy between Plaintiffs and those members similarly situated to Plaintiffs and Defendant with respect to whether the Board had the power, right, or authority to serve or act on behalf of Defendant following the improper October 29, 2011 election.

50. Plaintiffs and those members similarly situated to Plaintiffs are entitled to a declaratory judgment finding that:

The Board did not have the power, right, or authority to serve or act on behalf of GSNEO following the improper October 29, 2011 election, and all decisions of the Board following the October 29, 2011 election are void and of no legal effect.

COUNT IV
INJUNCTION REGARDING SALE OF
SUBSTANTIAL ASSETS OF GSNEO

51. Plaintiffs reincorporate and re-allege each of the foregoing paragraphs as if rewritten herein.

52. Defendant is a public benefit nonprofit corporation subject to the laws of the State of Ohio.

53. R.C. 1702.39 governs the sale of Defendant's assets.

54. Upon information and belief, Defendant's plan to sell four (4) of the seven (7) remaining Girl Scout camps would result in a sale of more than fifty percent (50%) of the fair market value of Defendant's net tangible and intangible assets within a thirty-six month period.

55. Defendant's planned sale is in violation of R.C. 1702.39.

56. Upon information and belief, Defendant has already started gathering bids for the sale of the Girl Scout camps, and the sale of the Girl Scout camps is imminent.

57. Each of the camp properties is unique, and uniquely suited to serve the membership of GSNEO. Once sold, the properties cannot be replaced.

58. Defendant's actions, absent Court intervention, will result in irreparable harm to Plaintiffs and those members similarly situated to Plaintiffs, and the public.

59. Plaintiffs, individually and on behalf of the similarly situated members of Defendant, hereby request an injunction, enjoining Defendant from selling the Girl Scout camps in violation of R.C. 1702.39.

COUNT V
INJUNCTION AS TO SALE OF CAMPS

60. Plaintiffs reincorporate and re-allege each of the foregoing paragraphs as if rewritten herein.

61. Defendant has adopted, and is continuing to pursue a scheme to sell four (4) of the remaining seven (7) Girl Scout camps.

62. Defendant's plan to sell the camps violates Ohio law, violates the Resolution to cease and desist passed by Defendant's General Assembly, violates Defendant's own Code of Regulations, and is contrary to the will and desire of its members.

63. Defendant's plan to sell the camps is being pursued by a Board purporting to act on behalf of Defendant, but the Board has not been properly elected, and is not representative of Defendant's members.

64. Defendant has already received bids to purchase the camps.

65. The planned sale of the camps is imminent.

66. Each of the camp properties is unique, and uniquely suited to serve the members of Defendant. Once sold, the properties cannot be replaced.

67. Defendant's actions, if permitted to continue, will result in irreparable harm to Plaintiffs, those members similarly situated to Plaintiffs, and the public.

68. As a result of the foregoing, Plaintiffs and those members similarly situated to Plaintiffs are entitled to an injunction prohibiting Defendant from proceeding with the sale of the Girl Scout camps.

WHEREFORE, Plaintiffs, Lynn Richardson, Lucia Hanigosky, Corey Ann Ringle, Lou Spilker, Kerrin Winter-Churchill, and Rachel Oppenheimer, individually and on behalf of similarly situated members of Defendant, respectfully request that this Honorable Court grant judgment on their behalf as follows:

- (a) An Order declaring that the Board is not authorized to proceed with efforts to sell the Girl Scout camps until a two-third (2/3) majority of the General Assembly votes to approve the contemplated sale of the Girl Scout camps;
- (b) An Order declaring that the General Assembly is entitled to select the number of Directors, between ten (10) and fifteen (15) who will serve on the Board.

- (c) An Order declaring that the Board does not have the power or authority to prevent the General Assembly from electing up to fifteen (15) Directors who will serve on the Board.
- (d) An Order declaring that the Board did not have the power, right, or authority to serve or act on behalf of Defendant following the improper October 29, 2011 election, and all decisions of the Board following the October 29, 2011 election are void and of no legal effect.
- (e) An Order preliminarily and permanently enjoining Defendant, Girl Scouts of North East Ohio, and its agents, employees, attorneys, and any other person in active concert or participation with each of them from soliciting or accepting offers to purchase the Girl Scouts of North East Ohio camps;
- (f) An Order from the Court preliminarily and permanently enforcing the cease and desist Resolution passed by the General Assembly of the Girl Scouts of North East Ohio;
- (g) An award of attorneys' fees and expenses incurred in the prosecution of this derivative action; and
- (h) For an Order providing such other relief, legal and equitable, which this case warrants, including compensatory damages, attorneys' fees, interest, and the costs of this action.

Respectfully submitted,

Hamilton DeSaussure (#0023516)
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Attorneys for Plaintiffs

VERIFICATION

The undersigned has reviewed the facts and allegations raised in the within Complaint, and hereby verifies said facts and allegations as true to the best of my knowledge.

LYNN RICHARDSON

LUCIA HANIGOSKY

COREY ANN RINGLE

LOU SPILKER

KERRIN WINTER-CHURCHILL

RACHEL OPPENHEIMER

REQUEST FOR SERVICE

To The Clerk:

Please serve Summons and Complaint upon the Defendant at the address listed in the caption of this Complaint by certified U.S. Mail, Return Receipt Requested.

Hamilton DeSaussure (#0023516)