

EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

_____)	
BRUCE D. SCHOBEL,)	
)	
Plaintiff,)	
)	
v.)	Case No. 09-1664 (EGS)
)	
AMERICAN ACADEMY OF ACTUARIES,)	
)	
)	
Defendant.)	
_____)	

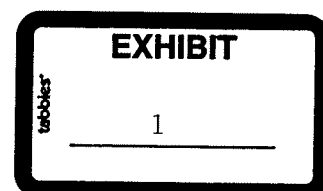
DECLARATION OF MARY E. DOWNS

I, Mary E. Downs, hereby declare, pursuant to 28 U.S.C. § 1746, as follows:

1. I am the Executive Director and General Counsel of the American Academy of Actuaries (“the Academy”). I make this Declaration based on my own personal knowledge.

2. The Academy is a non-profit corporation organized under the Illinois General Not For Profit Corporation Act (“the Illinois Act”). Of the five U.S.-based actuarial organizations, the Academy serves as the voice of the U.S. profession on public policy and professionalism issues.

3. In particular, the Academy provides independent actuarial information and analysis for the formation of sound public policy; identifies and addresses public policy issues that would benefit from actuarial input; promotes public understanding of the value of the actuarial profession; facilitates and coordinates issues of common interest among U.S.-based actuarial associations; provides for the establishment and enforcement of high professional



standards of actuarial qualification, practice, and conduct; and coordinates the representation of the U.S. profession globally.

4. The Academy operates under the overall direction of its Board of Directors. The Board consists of 29 members—the nine Officers of the Academy, the two immediate past Presidents of the Academy, and 18 other elected Directors, including eight Special Directors consisting of representatives of four other U.S. actuarial organizations.

5. The Board elects the Officers, who automatically become Directors without any additional vote by the Board for so long as they remain Officers. The Board also elects the Special Directors (currently eight). The remaining regular Directors are elected by the general membership of the Academy.

6. Bruce Schobel (“Mr. Schobel”) is an actuary and longstanding member of the Academy.

7. Consistent with the Academy’s bylaws, Mr. Schobel was elected by the Board to the position of President-Elect in October 2008 and thereby automatically became a member of the Academy’s Board. He remained in that position until August 5, 2009, when a majority of the whole Board voted to remove him from that position pursuant to the Illinois Act and the Academy’s bylaws. He continues to be a member of the Academy.

8. A copy of the Academy’s bylaws is attached as Att. A

9. The Board meeting on August 5, 2009 was convened in response to a letter that 19 past Presidents of the Academy sent to the Academy’s Board by e-mail on July 9, 2009. Based on matters described in their letter, these former leaders of the Academy raised the issue whether Mr. Schobel satisfied the standards the Academy should expect of its top elected officials and asked that a Board meeting be convened to consider whether Mr. Schobel should

continue as President-Elect and then become the President of the Academy at the end of his term as President-Elect. A true and correct copy of their letter and of a document enclosed with and referred to in the letter are being submitted to the Court *in camera* as Att. B for its consideration.

10. The document included with the past Presidents' letter was written several months after Mr. Schobel was elected as President-Elect of the Academy. The Academy has not circulated the document since receiving it and did not allow detailed discussion of it or of the events to which it relates at the August 5, 2009 Board meeting.

11. Given the nature of the issues raised by the 19 past Presidents and requests for a meeting by a number of Directors, the President decided to convene a special meeting of the Board to consider the matters that had been raised. On July 14, 2009, he advised the Board (which still included Mr. Schobel at that time) by e-mail that a special Board meeting would be held on August 5, 2009 to determine how to respond to the letter. The notice indicated in part that the Academy would be working "to develop a fair and proper meeting process and procedures" for deciding how to address the matters that had been raised. A true and correct copy of that notice is attached as Att. C.

12. The July 14, 2009 meeting notice contemplated that all Board members would participate in person. In the days that followed that notice, it became apparent that it would be difficult or impossible for all Board members to do so. Accordingly, on July 16, 2009, the President sent a further e-mail to the Board inquiring about potential alternative ways to proceed. On July 21, 2009, he advised the Board that he was "working to find an appropriate and confidential way to permit those Board members who cannot attend in person, which[he] strongly encourage{d} [them] to do if at all possible, to call in to the meeting." That e-mail also noted the need for sensitivity and confidentiality in handling the matters at issue and stated in

part: “Because of the sensitivity of the issues to be discussed at th[e] special meeting, I ask you to refrain from any discussion of the matters to be considered . . . using this list serve or in any other unrelated meetings or communication in which you participate prior to that Board meeting. These are matters that need to be handled in the best interests of the Academy and with appropriate sensitivity and discretion.” True and correct copies of the July 14, 2009, July 16, 2009, and July 21, 2009 e-mails are attached as Att. C, D, and E, respectively.

13. Ultimately, to enable full participation, the Academy decided to permit Directors who were otherwise unable to participate in person to do so by telephone pursuant to procedures designed to ensure the privacy and confidentiality of the Board’s discussion. Those procedures are summarized in the President’s July 31, 2009 e-mail to the Board. A true and correct copy of this e-mail is attached as Att. F.

14. Consistent with the goals described in the July 14, 2009 meeting notice, the Academy adopted procedures and guidelines designed to ensure that the matters at issue would be considered and discussed in a fair and orderly manner that would be consistent with the best interests of both the Academy and Mr. Schobel. In an e-mail dated July 31, 2009 (Att. F), the President advised the Board (then still including Mr. Schobel) of those procedures and guidelines and expressed confidence that they would permit the Academy “to protect the legitimate interests of the Academy and of all concerned in a manner consistent with applicable law and with the Academy’s bylaws and other governing documents.” Through outside counsel, the Academy also advised Mr. Schobel’s counsel of what these procedures would be prior to circulation of the July 31, 2009 e-mail to Mr. Schobel and other Academy Directors.

15. The President’s July 31, 2009 e-mail to the Board further stated that the purpose of the meeting would be “to determine what action, if any, the Board should take at this

time in response to the July 9, 2009 communication from a group of past Academy Presidents”

16. The Board met in executive session on August 5, 2009 with 27 of the 29 Board members participating in person or by telephone.

17. Mr. Schobel advised me on at least two occasions prior to the Board meeting that he intended to file a lawsuit if the Board took any action that he regarded as objectionable. As a result, and consistent with a prior discussion with Mr. Schobel’s counsel, Mr. Schobel absented himself during the initial portion of the meeting in which outside Academy counsel advised the Board of the potential legal ramifications of the matters to be discussed. Mr. Schobel returned for the remainder of the meeting, participated in the Board’s discussion, and voted during the Board’s open (not secret) vote.

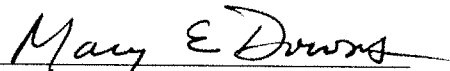
18. Mr. Schobel spoke last at his own request after other Board members had had an opportunity to speak even though some Board members had encouraged him to speak earlier in the meeting. So far as I am aware and can recall, the Academy did not tell Mr. Schobel to “hurry up” with his remarks or force him to cut them short.

19. Ultimately, more than a majority of the whole Board concluded that it would not be in the best interests of the Academy for Mr. Schobel to continue as President-Elect (or to become President) and voted to remove him from his position as President-Elect.

20. Following the vote, the Academy took steps to remove Mr. Schobel from the internal list serve for Officers and Directors but did not take any immediate action to delete him from the listings of Officers and Directors on its web site or issue any statement to Academy members or to the public about the Board’s action.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 2, 2009


Mary E. Downs

ATTACHMENT A

SECTION 2. Academy Policies and Guidelines

Bylaws

A Corporation Organized Under the Illinois General Not For Profit Corporation Act (Adopted April 29, 1966, and last amended as noted within)

Article I—Membership

SECTION 2.1 **Members.** Individuals having membership in the Academy shall be called “members.”

Members shall be entitled to attend meetings of the Academy, vote, hold office, serve as elected Directors, make nominations, serve on committees, and generally exercise the rights of full membership. They are authorized to designate themselves as “members” of the American Academy of Actuaries and to append to their names the initials M.A.A.A.

SECTION 2.2 **Admission to Membership.** Any person may apply for membership and shall become a member by meeting the requirements contained in this section.

SECTION 2.3 **Application.** Each candidate for admission must submit a written application that shall include such additional information as the Executive Committee may request.

SECTION 2.4 **Education.** Each candidate shall have passed or have received credit for the examinations, and/or achieved membership in a non-U.S.-based actuarial organization, as prescribed from time to time by the Board of Directors, hereinafter called the “Board.”

SECTION 2.5 **Resident Aliens and Nonresidents.** A candidate who is a resident alien or a nonresident of the United States must meet such other requirements as are prescribed by the Board.

SECTION 2.6 **Approval.** Each application shall be acted upon by the Executive Committee. A candidate’s application is approved if accepted by a majority of the whole Executive Committee. If refused for any reason, including a rejection on the basis of evidence of lack of character or professional integrity, the applicant may request review by the Board, pursuant to such procedures as may be adopted by the Board.

(Section 2 amended September 18, 2008)

Article II—Meetings of the Members

There shall be an annual meeting of the members at such time and place as the Board shall designate.

Special meetings may be called by the Board. Upon request of not less than 5 percent of the members, the President shall call a meeting of the members. Notice of a meeting, specifying the place, date, and hour of the meeting, shall be given to the membership at least 50 days before each meeting. At all meetings, the number of members present at an annual or special meeting of the membership shall constitute a quorum for purposes of any member vote.

(Article 2 amended May 21, 2008)

Article III—Board of Directors

SECTION 3.1 **Composition.** The Board shall consist of 29 Directors, comprising the nine Officers, the two immediate Past Presidents, and 18 elected Directors.

SECTION 3.2 **Election and Term of Office.**

SECTION 3.3 **Special Directors.** The Board shall designate a number of seats on the Board, not to exceed eight, to be filled by a class of special Directors consisting of representatives of other U.S. actuarial organizations whose presence on the Board is deemed helpful to the Academy. Special Directors shall be elected by majority vote of the whole Board and shall serve for a period of two years. If a vacancy occurs among the special Directors, the vacancy may be filled for the remainder of the unexpired term by majority vote of the whole Board. The term of office of a special Director shall begin at the close of the annual meeting of the Academy in the calendar year of the election and shall continue until the close of the annual meeting at the end of the term for which the special Director was elected.

SECTION 3.4 **Regular Directors.** Elected Directors who are not special Directors shall be regular Directors. Each

year the members shall elect a number of regular Directors to bring the total number of elected Directors to 18. Candidates receiving the greatest number of votes shall be elected. Such regular Directors shall serve for a period of three years. A retiring regular Director, other than one who was elected to fill a vacancy whose term as a regular Director expires, shall not be eligible for re-election as a regular Director at that time. A Past President whose ex officio membership on the Board as Past President expires shall not be eligible for election as a regular Director at that time. If a vacancy occurs among the regular Directors, including a vacancy created by the election of a regular Director to an office or to the position of special Director, the vacancy may be filled for the remainder of the unexpired term by majority vote of the whole Board. The term of office of a regular Director shall begin at the close of the annual meeting of the Academy in the calendar year of the election and shall continue until the close of the annual meeting at the end of the term for which the regular Director was elected.

SECTION 10. Meetings. There shall be an annual meeting of the Board prior to the annual meeting of the Academy. Special meetings of the Board shall be called whenever the President or at least five members of the Board so request.

Meetings of the Board may be held either within or outside the state of Illinois. Notice of the meetings of the Board shall be given not less than 10 days nor more than 30 days before the meeting, except in the event of a meeting of the Board following the annual meeting of the Academy, in which event newly elected Directors shall be given notice of such meeting of the Board as promptly as possible. Such notice to newly elected Directors may be given personally, by telephone, by mail, or by facsimile transmission.

Any action required to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Board.

SECTION 11. Quorum. At meetings of the Board, a majority of the members of the Board shall constitute a quorum.

SECTION 12. Duties and Powers. The Board shall have,

in addition to the powers and authority expressly conferred upon it by these Bylaws, the right, power, and authority to exercise all such powers and to do all such acts and things as may be appropriate to carry out the purposes of the Academy. Without prejudice to the general powers so conferred, the Board shall have the following specific powers:

- SECTION 13.** To act in accordance with the provisions of the Articles of Incorporation of the Academy and the laws of the state of Illinois.
- SECTION 14.** To establish the location of the offices of the Academy.
- SECTION 15.** To invest and administer the funds of the Academy.
- SECTION 16.** To arrange an annual audit of the accounts of the Secretary-Treasurer.
- SECTION 17.** To prescribe examinations and other requirements for admission, as provided in Article I, Section 2, of the Bylaws.
- SECTION 18.** To elect the Officers of the Academy.
- SECTION 19.** To authorize such committees as it may deem necessary for the conduct of the affairs of the Academy.

(Article 3 amended May 21, 2008)

Article IV—Executive Committee

During any interim between meetings of the Board, the business of the Academy shall be conducted by an Executive Committee comprising the Officers and the immediate Past President. The Executive Committee shall have such powers as may be provided by these Bylaws or as may be delegated to it by the Board, except the specific powers enumerated (b), (d), (e), (f), and (g) in Section 5 of Article III.

Article V—Officers

SECTION 20. Officers. The Officers of the Academy, all of whom shall be members, shall consist of a President, a President-Elect, six Vice Presidents, and a Secretary-Treasurer.

SECTION 21. Election and Term of Office. At each annual meeting of the Board, the Directors present, by a vote of a majority of the whole Board, shall elect, separately and in the order named, a President-Elect, three or more Vice Presidents, and a Secretary-Treasurer.

At the annual meeting of the Board, if either (a) the

President-Elect has succeeded the President and has served in that capacity for six months or more by reason of the office of President becoming vacant or (b) the office of the President-Elect is vacant, except in the case where the President-Elect has succeeded to the office of the President and has served in that capacity for less than six months, the Directors, by a vote of a majority of the whole Board, shall, prior to the election of the President-Elect, elect a President to serve from the close of the first subsequent annual meeting of the Academy until the close of the second subsequent annual meeting of the Academy.

Except as hereinafter provided, the President-Elect, having been so elected at an annual meeting of the Board, shall commence the term as President-Elect at the close of the first subsequent annual meeting of the Academy and shall automatically succeed the President at the close of the second subsequent annual meeting of the Academy, and shall serve as the President until the close of the third subsequent annual meeting of the Academy. In the event the office of President becomes vacant, the President-Elect shall automatically succeed to fill the vacancy for the unexpired term. A President-Elect who so succeeds the President and serves in that capacity for less than six months prior to the close of the first subsequent annual meeting of the Academy following succession to the Presidency shall further serve as President until the close of the second subsequent annual meeting of the Academy.

The term of Vice President shall be two years. The term of each Vice President elected at each annual meeting of the Board shall be from the close of the first subsequent annual meeting of the Academy until the close of the third subsequent annual meeting of the Academy. In the event of a vacancy in the office of Vice President, the Board may elect a replacement for the remainder of the vacancy of that office. Said replacement may thereafter be eligible for re-election as a Vice President at the meeting at which the term expires.

A retiring Vice President is not otherwise eligible for re-election as a Vice President at the meeting at which the term expires.

Except as provided above, a retiring President shall thereafter be permanently ineligible for election for another term as President or President-Elect.

A retiring Vice President shall not be eligible for re-

election as a Vice President at the meeting at which the term expires.

Each Officer shall hold office for the term elected and until a successor shall have been elected.

In the event of vacancy in the office of both the President and President-Elect, the Board shall by majority vote of the whole Board elect a member to fill the vacancy for the unexpired term of the President.

In the event a vacancy occurs among the Vice Presidents, or in the office of Secretary-Treasurer, the Board shall by majority vote of the whole Board elect a member to fill the vacancy for the unexpired term.

Article VI—Duties of Officers

SECTION 1. President. The President shall preside at the meetings of the Board and of the Academy, shall appoint committees authorized by the Board, and may sign contracts or other instruments that the Board has authorized to be executed.

SECTION 2. President-Elect. The President-Elect shall have such duties as may be assigned by the President or by the Board. In the absence of the President, or in the event of the President's inability or refusal to act, the President-Elect shall perform the duties of the President's office.

SECTION 3. Vice Presidents. Each of the Vice Presidents shall have such duties as may be assigned by the President or by the Board.

SECTION 4. Secretary-Treasurer. The Secretary-Treasurer shall record and file minutes of all meetings of the Board, give all notices, be custodian of the corporate records of the Academy, and in general shall perform all customary duties incident to the office of Secretary-Treasurer. If the President is absent or unavailable, the Secretary-Treasurer may sign, with any other person authorized by the Board, contracts or other instruments that the Board has authorized to be executed.

The Secretary-Treasurer shall also keep a register of the members, have charge of the preparation and publication of any yearbook that may be published, have general supervision of any arrangements for holding examinations, have charge and custody of all funds and securities, collect dues, pay bills, prepare financial statements, and in general perform all customary duties incident to the office of Secretary-Treasurer. The Secretary-Treasurer shall

give a bond for the faithful discharge of all such duties, the cost of which shall be paid by the Academy.

Article VII—Finances and Contracts

SECTION 1 Dues. Except as hereinafter provided, each member shall pay such dues for each calendar year as may be established by the Board. Such dues shall be payable as of January 1 of the calendar year.

It shall be the duty of the Secretary-Treasurer to cause to be notified by mail any member whose dues may be six months in arrears and to accompany such notice by a copy of this Section. If dues remain unpaid, such person shall, on the date that falls three months after the date of mailing such notice, cease to be a member of the Academy for all purposes other than with respect to any penalty or other action determined under disciplinary procedures as provided in Article IX, relating to conduct prior to such date. Reinstatement as a member shall be subject to such conditions as the Board may prescribe.

(Section 1 amended September 18, 2008)

SECTION 2 Publications. The Board shall determine the extent of distribution of publications of the Academy and the fees or prices to be charged any classes of recipients.

SECTION 3 Contracts. The Board may authorize any Officer or agent to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Academy.

SECTION 4 Checks. All checks, drafts, or other orders for a payment of money, notes, or other evidences of indebtedness shall be signed by such Officer or agent of the Academy as shall from time to time be determined by the Board.

SECTION 5 Deposits. All funds of the Academy not otherwise employed or invested shall be deposited to the credit of the Academy in such banks, trust companies, or other depositories as the Board may select.

Article VIII—Resignation of Members

Any member may at any time file a resignation in writing with the Secretary-Treasurer, and, unless it is rejected by the Executive Committee, it shall become effective as of the date it was filed. The Executive Committee

may reject a resignation only if a complaint or charge is pending against the member or if a complaint or charge is filed within 60 days after the date that the member's attempted resignation is filed. A member whose resignation is rejected by the Executive Committee may appeal in writing to the Board. The Board may affirm or set aside an Executive Committee decision to reject a member's resignation by a majority vote of the members of the whole Board.

Notwithstanding the foregoing, the Board may in its discretion permit the resignation of a member against whom a complaint or charge is pending. The Board, on written application of any member who has resigned, may reinstate such member subject to such conditions as it may prescribe.

Article IX—Public Discipline

SECTION 1 Complaints and Referrals.

Complaints concerning alleged violations of the Academy's Code of Professional Conduct, and all questions that may arise as to the conduct of a member, in the member's relationship to the Academy or its members, or in the member's professional practice, or affecting the interests of the actuarial profession, constitute matters for serious consideration.

Such complaints and questions shall be referred to the national organization responsible for professionwide counseling and discipline in the nation where the action occurred: the Actuarial Board for Counseling and Discipline (ABCD) in the United States and in any other country where the Academy has not executed a cross-border discipline agreement with a foreign national actuarial organization, and the appropriate foreign national actuarial organization with which the Academy has executed a cross-border discipline agreement (for example, the Canadian Institute of Actuaries in Canada). The Academy will publish annually in its Yearbook a list of foreign national actuarial organizations with which it has executed a cross-border discipline agreement.

SECTION 2 Consideration of Public Disciplinary Action.

The President shall appoint a six-person Disciplinary

ary Committee from among the current or former members of the Board who, at the time of their appointment, have served on the Board within the past five years to consider and act upon a recommendation from the ABCD or the appropriate foreign national actuarial organization for public discipline of an Academy member.

Public disciplinary action includes a public reprimand, suspension of Academy membership, or expulsion from the Academy.

The member who is the subject of a public disciplinary recommendation from the ABCD or the appropriate foreign national actuarial organization shall have the right to appear personally and by counsel (at the member's expense) before the Disciplinary Committee to explain why that recommendation should not be followed. The role of the member's counsel shall be limited to advising the member and articulating appropriate legal objections; the role of the Disciplinary Committee's counsel shall be similarly limited.

The member involved shall be notified not less than 45 days in advance as to the time, date, and place where the Disciplinary Committee will consider the matter. The notification may be made by certified mail or in such other manner as the Disciplinary Committee Chairperson may direct. The time limit may be waived by mutual agreement of the parties.

An action of the Disciplinary Committee to publicly reprimand, suspend, or expel a member requires an affirmative vote of two-thirds of the whole membership of the Disciplinary Committee.

An action by the Disciplinary Committee to publicly reprimand, suspend the membership of, or expel a member is effective 45 days after the date of the action, if the member does not appeal the action to the Appeal Panel as provided in Section 3 below, and, in the event of such an appeal, the action is effective on the date when the appeal is decided by the Appeal Panel.

Appeals.

A member against whom an order of public reprimand, suspension, or expulsion has been rendered shall, upon application to the President within 45 days after the action of the Disciplinary Committee, be entitled to appeal under the following conditions:

The President shall appoint a six-person Appeal Panel from among the members of the Board of Directors (except as provided in Subsection 2 below) to consider and act upon the member's appeal. The Appeal Panel shall consist of:

1. A chairperson who is the President, the President-Elect, the immediate Past President, or the Secretary-Treasurer;
2. The chairperson of the Disciplinary Committee (even if that person is no longer a member of the Board of Directors) as a non-voting member; and
3. Four members of the Board of Directors who did not participate on the Disciplinary Committee. Officers identified in Section 3(A)(1) who do not chair the Appeal Panel may participate as members of the Appeal Panel.

The notice of appeal shall be in writing and shall stipulate that the appealing member consents to the mailing to the members of the Appeal Panel of a transcript and all applicable evidence in a form approved by the Disciplinary Committee.

All rights and privileges of membership shall be retained during the pendency of the appeal.

The member may appear personally and by counsel (at the member's expense) before the Appeal Panel to explain why the action of the Disciplinary Committee should be reduced or set aside. The role of the member's counsel shall be limited to advising the member and articulating appropriate legal objections; the role of the Appeal Panel's counsel shall be similarly limited.

The decision of the Disciplinary Committee may be affirmed, reduced, or set aside by a majority of the Appeal Panel.

The member involved shall be notified not less than 45 days in advance as to the time, date, and place where the Appeal Panel will consider the matter. The notification may be made by certified mail or in such other manner as the chairperson of the Appeal Panel may direct. The time limit may be waived by mutual agreement of the parties.

Reinstatement.

An individual who has been expelled or suspended from the Academy may be reinstated only through an action of the Board of Directors.

Article 9 Confidentiality of Proceedings.

Except as otherwise provided in these Bylaws or by waiver of the person under investigation, all proceedings under this Article shall be confidential and kept secret. If the person discloses any aspect of these confidential proceedings, the Academy may research the source and manner of the disclosure, and reserves the right to respond to such disclosure by providing factual information about the proceedings.

Article 10 Notifications.

The Academy shall notify Academy members in all instances in which a member is subject to public discipline. At the same time notification is given to the members, the Academy shall also give notice of the public discipline to all other actuarial organizations of which the individual is a member and to other organizations, including government entities, that, in the opinion of the Disciplinary Committee or the Appeal Panel, should also receive notice of the action. The Academy may also give notice of public discipline to such newspapers or journals as it may select.

If the case arises from a written complaint, notice of the disposition of the case shall be furnished to the complainant.

In the case of an action to publicly reprimand, suspend, or expel a member, the notification should take place within a reasonable period of time after the action has taken effect as described in Section 2(F) above.

In the event of subsequent reinstatement of an expelled or suspended member, the Academy shall give notice of such action to all members and also to entities previously advised by the Academy of the expulsion or suspension.

Article 11 Procedures.

The Board of Directors may establish procedures for implementation of this Article that are not inconsistent with this Article.

(Article 9 amended May 21, 2008)

Article X—Actuarial Board for Counseling and Discipline

Article 1 Establishment and Purposes.

There shall be established within the Academy

an entity to be known as the Actuarial Board for Counseling and Discipline (ABCD). Upon delegation of appropriate authority from a participating actuarial organization and acceptance of that delegation by the ABCD, the ABCD will be authorized:

1. To consider all complaints concerning alleged violations or information suggesting possible violations of the applicable Code(s) of Professional Conduct and all questions that may arise as to the conduct of a member of a participating actuarial organization in the member's relationship to the organization or its members, in the member's professional practice, or affecting the interests of the actuarial profession.
 2. To counsel actuaries concerning their professional activities related to the applicable Code(s) of Professional Conduct in situations where the ABCD deems counseling appropriate.
 3. To recommend a disciplinary action with respect to an actuary to any participating organization of which that actuary is a member.
 4. To mediate issues between members of participating actuarial organizations, or between such members and the public, for the purpose of informally resolving issues concerning the professional conduct of such members.
 5. To respond to requests for guidance regarding professionalism from members of the participating organizations.
- The ABCD is authorized to establish Rules of Procedure and operating guidelines not inconsistent with the requirements of this Article. Such Rules of Procedure shall provide that the subject of an inquiry will be given the following:
1. Notice of the inquiry along with the factual basis for the inquiry and an opportunity to comment on the matter before the ABCD determines whether an investigation should be initiated.
 2. Notice of the ABCD's decision to refer the inquiry to Investigators, their names, and an opportunity to object for cause in writing to any of them.
 3. The opportunity to comment on an Investigative Report before the ABCD uses the Report to vote on disposition of the inquiry.
 4. Reasonable notice of a hearing to be conducted regarding the actuary's work and/or conduct, in-

cluding the issues for inquiry and the date, time, and place of the hearing.

- 5 Within a reasonable period of time prior to a hearing, the names of any witnesses whose testimony the ABCD expects to consider and copies of case-specific documents not previously provided to the subject of the inquiry that the ABCD expects to consider.
- 6 Notice and a reasonable opportunity to respond to additional relevant, material case-specific documents and witnesses that the ABCD first learns of during a hearing, if the ABCD intends to consider such. The notice shall include a copy of such documents and the names and last known addresses of witnesses.
- 7 The right to assistance of counsel during a hearing, including the right to seek and receive advice from counsel and to have counsel articulate appropriate legal objections.
- 8 Prompt notification of the results of an ABCD hearing after they have been determined and formulated. The ABCD shall expose, for comment, proposed revisions of its Rules of Procedure to the profession or to membership organizations for publication to their members.

Section 1.4.1 Members and Appointments.

- 1 The ABCD shall consist of nine persons appointed from the membership of the participating organizations, each of whom shall be appointed for a three-year term. No individual may serve no more than two consecutive terms on the ABCD, except that a member appointed to complete an unexpired term may be reappointed to two full consecutive three-year terms. Terms of membership shall be staggered, so that one-third of the members are appointed annually.
- 2 Members of the ABCD shall be broadly representative of all areas of actuarial practice. They shall be appointed by, and serve at the pleasure of, the Council of U.S. Presidents (CUSP), composed of the Presidents and Presidents-Elect of the participating organizations. The President of the Academy shall serve as Chairperson of CUSP. CUSP shall annually appoint the chairperson of the ABCD. An individual appointed Chairperson may not serve

more than two consecutive terms as Chairperson.

- 3 If a vacancy arises among the members of the ABCD, CUSP shall designate a replacement to fill out the remainder of the term. The replacement will complete that term, and may be reappointed for two additional consecutive three-year terms. When a full-term or replacement member has attended a hearing as an ABCD member, such member may serve beyond his or her term of appointment solely for the purpose of participating in the ABCD's disposition of that matter.
- 4 Where three or more members of the ABCD have an actual or apparent conflict of interest with regard to a particular matter, with the result that a quorum of the ABCD cannot practicably be convened to consider the matter, CUSP may, in response to a request from the ABCD, appoint enough special members to the ABCD to form a quorum to consider that matter. The special members shall consider only the matter(s) for which appointed, and the term of each such special member shall end at the conclusion of the ABCD's consideration of such matter(s).

Section 1.4.2 Officers. The Officers of the ABCD shall consist of the Chairperson and two Vice Chairpersons, who shall be appointed annually from among the members of the ABCD by CUSP.

Section 1.4.3 Meetings and Conduct of Business. The ABCD shall meet at least once each year. Meetings may be called by the Chairperson or at the request of at least three members. Six members of the ABCD shall constitute a quorum. Meetings may be conducted in person or via telephone. In the event that neither the Chairperson nor a Vice Chairperson is able to participate at a duly called meeting where a quorum is present, the members may, by a majority of those participating, select a Chairperson Pro Tem for that meeting.

Section 1.4.4 Procedures.

- 1 For any matter described in Section 1.A.1 that comes to the attention of the ABCD, the Chairperson and the two Vice Chairpersons may by majority vote agree to: (1) dismiss the matter, (2) authorize a mediator to attempt to resolve the matter, or (3) authorize a review of the matter.

D An actuary whose activities are the subject of ABCD inquiry is referred to as a “subject actuary.”

E To review a matter, the Chairperson shall appoint a primary Investigator and may appoint additional Investigators. ABCD members shall not be Investigators.

1 The Investigator(s) shall investigate activities which may involve violations of the applicable Code(s) of Professional Conduct. The Investigator(s) shall then prepare an Investigative Report for the ABCD, which contains the results of the investigation.

2 The Investigator(s) shall follow applicable Rules of Procedure and operating guidelines established by the ABCD, which shall not be inconsistent with the provisions of this Article.

D The Chairperson may designate individuals with special expertise in various specialty areas to serve as Advisers to the ABCD. Investigator(s) and the ABCD may consult confidentially with such Advisers who have information or experience relevant to a matter under consideration.

E Following receipt of the Investigative Report, the ABCD shall determine by majority vote whether to (1) dismiss the matter; (2) counsel the actuary; or (3) schedule, in accordance with the Rules of Procedure described in Section 1.B of this Article, a fact-finding hearing before the ABCD.

E In any hearing before the ABCD:

1 The subject actuary shall have the right to appear personally, to examine the evidence to be considered by the ABCD, to question witnesses appearing at the hearing, and to present witnesses and evidence.

2 The subject actuary may be accompanied by counsel, at no expense to the ABCD. The counsel’s role in such instance shall be defined by the Rules of Procedure adopted by the ABCD, subject to the requirements of Section 1.B.7 of this Article. The role of counsel for the ABCD shall be similarly defined.

3 The ABCD shall decide all questions of evidence at the hearing.

4 A written transcript shall be made of the proceedings and a copy made available to the subject actuary.

E Following the conclusion of the hearing and based on the evidence (including testimony), only those ABCD members participating in the hearing shall, by affirmative vote of five or more members, determine to (1) dismiss the matter; (2) counsel the actuary; or (3) recommend discipline to the subject actuary’s membership organization(s), including the form of such discipline: private reprimand (if permitted by the membership organization’s bylaws or rules), public reprimand, suspension, or expulsion. If the ABCD believes it would be beneficial, it may also counsel an actuary for whom discipline is recommended.

If the ABCD recommends discipline, the ABCD shall prepare a written report addressed to each participating organization of which the subject actuary is a member. The report shall identify the precepts of the applicable Code(s) of Professional Conduct that the ABCD believes to have been violated, state the nature of the violations, and make a recommendation as to the form of discipline. The report shall be accompanied by a transcript of the hearing and copies of all documents considered at the hearing. A copy of the report and accompanying material shall be provided to the subject actuary.

SECTION 1.B.7 **Counseling.** The ABCD shall counsel a subject actuary when the ABCD determines counseling to be more appropriate than dismissal of a matter. The ABCD may also counsel a subject actuary for whom it recommends discipline. Counseling shall not be considered a disciplinary action.

SECTION 1.B.8 **Staff.** The ABCD will utilize the staff of the Academy for necessary legal, logistical, and technical support and may retain outside counsel for assistance, as needed.

SECTION 1.B.9 **Finances.**

D The finances of the ABCD will be accounted for separately within the Academy system of accounts. The ABCD will submit a budget request to the Secretary-Treasurer, listing all planned income sources and potential expenses, in such form and in such detail as is mutually determined by the Secretary-Treasurer and the ABCD. The Board of the Academy will consider this request when adopting its annual budget and will make provision within such

budget for the operating expenses of the ABCD.

1031 The ABCD will have discretion with regard to the expenditure of all funds allocated to it, subject only to such accounting and audit requirements as may be mutually determined by the Secretary-Treasurer and the ABCD.

1032 **Confidentiality.** Except as otherwise provided in these Bylaws, all proceedings under this Article shall be kept confidential by the ABCD, its staff, investigators, and advisers. This requirement as to confidentiality shall not preclude the ABCD from:

- 1033** Advising complainants and subject actuaries about the progress and outcome of matters under consideration;
- 1034** Reviewing previously closed files as they may relate, in any manner, to the consideration of a new matter before it;
- 1035** Accepting a bona fide waiver of confidentiality from a subject actuary and disclosing information pursuant to that waiver that would otherwise be kept confidential under this section, subject to such terms and conditions as the ABCD deems necessary to protect the confidentiality rights of other parties and the integrity of the ABCD process.

1036 **Communications.** The ABCD shall issue an annual report that will include a description of its activities for the prior fiscal year, including commentary on the types of cases pending, resolved, and dismissed. The ABCD may also disseminate educational materials to assist actuaries in understanding the application of the Code(s) of Professional Conduct in various situations that may arise. These reports and educational materials shall not reveal any confidential information. The ABCD shall also report quarterly to the President of each participating organization concerning inquiries, issues, and counseling activities related to members of that organization.

(Article 10 amended May 21, 2008)

Article XI—Actuarial Standards Board

1037 **Establishment and Purposes.** There shall be established within the Academy an entity to be known as the Actuarial Standards Board (ASB), whose purposes shall be to:

- 1038** (i) Expose, (ii) promulgate or adopt, and (iii) publish actuarial Standards of Practice, within its sole discretion and pursuant to such procedures as it deems appropriate, in all areas of actuarial practice, subject to the specific requirements of this article.
- 1039** Provide continuous review of existing Standards of Practice and determine whether they are in need of amendment, alteration, expansion, or elimination.
- 1040** Direct and manage the development of actuarial Standards of Practice by its operating committees in all areas of actuarial practice.

1041 **Members and Appointments.**

- 1042** The ASB shall consist of nine members, each of whom shall be appointed for three-year terms. No individual may serve more than two consecutive terms on the ASB, except that a member appointed to complete an unexpired term may be reappointed to two full consecutive three-year terms. Terms of membership shall be staggered, so that one-third of the members are appointed annually.
- 1043** Members of the ASB shall be broadly representative of all areas of actuarial practice. They shall be appointed by, and serve at the pleasure of, the Council of U.S. Presidents (CUSP), composed of the Presidents and the Presidents-Elect of the participating organizations. The President of the Academy shall serve as Chairperson of CUSP. CUSP shall annually appoint the Chairperson of the ASB. An individual appointed Chairperson may not serve more than two consecutive terms as Chairperson.
- 1044** If a vacancy arises among the members of the ASB, CUSP shall designate a replacement to fill out the remainder of the term. The replacement will complete that term, and may be reappointed for two additional consecutive three-year terms.

1045 **Meetings.** The ASB shall meet at least four times annually. Additional meetings of the ASB shall be called whenever the Chairperson or at least four members of the ASB so request. At meetings of the ASB, two-thirds of the members of the ASB shall constitute a quorum. At least six affirmative votes are required for the ASB to expose, promulgate, or adopt actuarial Standards of Practice.

Article X Officers.

Officers of the ASB shall consist of a Chairperson and two Vice Chairpersons, who shall be appointed annually from among the members of the ASB by CUSP.

1. One Vice Chairperson shall be the presiding officer in the absence of the Chairperson and shall have such other duties as may be assigned by the Chairperson.
2. The other Vice Chairperson shall monitor the disposition and be responsible for the authorization of expenditure of all funds associated with the ASB.

The Chairperson of the ASB shall preside at meetings of the ASB and shall designate operating committee Chairpersons with the consent of the ASB. Members of the operating committees shall be appointed by each operating committee Chairperson with the consent of the ASB.

Article XI Committees. The ASB shall establish operating committees to prepare and draft Standards of Practice for consideration by the ASB. The number and membership of such committees shall be determined by the ASB. The ASB may establish additional committees, subcommittees, or task forces as it deems appropriate to carry out administrative or advisory functions in support of its operations.

Article XII Finance.

Financial activities pertaining to the ASB will be accounted for separately within the Academy system of accounts. The ASB will submit a budget request to the Secretary-Treasurer, listing all planned income sources and potential expenses, in such form and in such detail as are mutually determined by the Secretary-Treasurer and the ASB. The Academy Board will consider this request when adopting the Academy annual budget and will make provision within such budget for ASB operating expenses.

The ASB will have discretion with regard to the expenditure of all funds allocated to it, subject only to such accounting and audit requirements as are mutually determined by the Secretary-Treasurer and the ASB.

Article XIII Staff. The ASB will utilize the staff of the Academy for all support, within the budgetary con-

straints of the ASB, and the Academy will make available to the ASB such staff support as may be requested. Costs for such staff support, including overhead expenses ascertained pursuant to a formula mutually determined by the Secretary-Treasurer and the ASB, will be included in the ASB budget.

Article XIV Communications with the Actuarial Profession. The ASB shall issue an annual report that will include a description of its activities for the prior fiscal year, including commentary on its standards activities, administrative matters, and finances. The ASB shall cooperate with duly constituted actuarial authorities charged with enforcing standards of professional practice, and respond to inquiries regarding actions of the ASB, including the interpretation of standards promulgated or adopted by the ASB.

(Article 11 amended May 21, 2008)

Article XII—Notice

The requirement that notice be given to members or other persons shall be satisfied when a letter has been deposited in a U.S. Postal Service mailbox addressed to the last known address of such person.

Article XIII—Indemnification

Each person who at any time shall serve or shall have served as an Officer, member of the Board, committee member, or member of any disciplinary board of the Academy (and any such person's heirs, executors, administrators, and personal representatives) shall be indemnified by the Academy against all costs and expenses (including but not limited to legal fees, amounts of judgments paid, and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit, or proceeding, whether civil, criminal, administrative, or other, in which one or more of them may be involved by virtue of such person being or having been an Officer, member of the Board, committee member, or member of any disciplinary board of the Academy, or in connection with any appeal therein; provided, however, that in the event of a settlement the indemnification herein provided shall apply only when the Board approves such settlement; and provided further that such indemnity shall not be operative with respect to any matter as to which such person shall have

been finally adjudged liable in such claim, action, suit, or proceeding on account of willful misconduct.

The rights accruing to any person under this Article shall be without prejudice to any rights or benefits given by the Board inconsistent therewith in special cases and shall not exclude any other rights or benefits to which the individual may be lawfully entitled.

Article XIV—Use of Financial Resources: Dissolution

The funds of the Academy shall be devoted exclusively to the purposes stated in paragraph 5 of the Articles of Incorporation. No part of the net earnings of the Academy shall ever inure in whole or in part to the benefit of any member or individual. If the Academy is dissolved, all of its remaining assets shall be transferred to one or more organizations organized and operated exclusively for purposes similar to those of the Academy.

Article XV—Amendments

Administrative, editorial, and technical amendments to the Bylaws that do not involve questions of policy or affect the substantive rights of the Academy’s members may be made by a vote of two-thirds of the Directors present at a duly convened meeting of the Board. Otherwise, amendments to the Bylaws may be proposed either by a vote of two-thirds of the Directors present at a duly convened meeting of the Board or by written request of not less than 3 percent of the members. The Board shall specify a reasonable period of time within which the proposed amendment shall be transmitted by the Secretary-Treasurer to the members by mail, which includes electronic means, and the time for votes to be mailed by the members to the Secretary-Treasurer. Such proposed amendment shall be accompanied by an appropriate discussion of the issues, and it shall become effective 10 days following the end of the voting period upon the affirmative vote of two-thirds of the members voting.

(Article 15 amended May 21, 2008)

Academy Mission and Strategic Plan

A. Introduction

*There is a river flowing now very fast.
It is so great and swift, that there are those who will be afraid.
They will try to hold on to the shore.
They will feel they are being torn apart and will suffer greatly.
Know the river has its destination.*

*The elders say we must let go of the shore, push off into the middle of the river,
keep our eyes open, and our heads above the water.*

And I say, see who is in there with you and celebrate.

*At this time in history, we are to take nothing personally, least of all, ourselves.
For the moment that we do, our spiritual growth and journey comes to a halt.*

The time of the lone wolf is over.

Gather yourselves!

*Banish the word struggle from your attitude and your vocabulary.
All that we do now must be done in a sacred manner and in celebration.*

We are the ones we’ve been waiting for.

— A Hopi Elder
Oraibi, Arizona

ATTACHMENT B

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

BRUCE D. SCHOBEL,)	
)	
Plaintiff,)	
)	
v.)	
)	Case No. 09-1664 (EGS)
AMERICAN ACADEMY OF ACTUARIES,)	
)	
)	
)	
Defendant.)	

**DEFENDANT’S NOTICE OF
FILING UNDER SEAL FOR IN CAMERA REVIEW**

In accordance with Local Civil Rule 5.4(e)(1), Defendant American Academy of Actuaries (“Academy”) hereby serves notice that it is submitting the following confidential document, ex parte, for *in camera* review by the Court: (1) a letter that 19 past Presidents of the Academy sent to the Academy’s Board by e-mail on July 9, 2009 and an attachment thereto. This document is being filed under seal due to its confidential nature.

Respectfully submitted,

/s/ Jonathan T. Rees

JONATHAN T. REES [440381]

Hogan & Hartson, L.L.P.

555 Thirteen Street, N.W.

Washington D.C. 20004

202-637-5790

jtrees@hhlaw.com

Attorney for Defendant American Academy of Actuaries

Dated: September 2, 2009

ATTACHMENT C

Mary Downs

From: John P Parks [johnpparks@gmail.com]
Sent: Tuesday, July 14, 2009 4:44 PM
To: Academy Board of Directors
Subject: [board] Special Meeting of the Board of Directors

Dear Members of the Board:

Pursuant to Article III, Section 3. (Meetings) of the Academy's bylaws, I am calling a special meeting of the Academy Board of Directors to be held in person from 1 to 3 pm, CDT in Minneapolis, MN. The purpose of the meeting is to discuss with the Board the letter sent to it by Bob Anker on behalf of 19 past presidents of the Academy. As you may know, the Academy's Executive Committee has an already scheduled meeting that will occur on that date in Minneapolis, and terminating the EC meeting early in order to add a Board meeting to that date will allow us to take up this important matter as expeditiously as possible while leveraging the presence of the many Board members who will already be in Minneapolis for the EC meeting. As is our practice, we will not have a call-in number or proxies. Attendance in person is necessary to participate in this meeting.

The EC meeting will take place in the Milliman offices at 8500 Normandale Lake Blvd in Minneapolis. We may have to arrange a different room outside of that facility depending on the number of Board members who can attend, so I ask you to respond to this email as soon as possible but please, in any event no later than **this Friday, July 17**.

I have asked Andrea Sweeny to work with Mary Downs and outside counsel, Betsy Lewis, a partner at Cooley Godward Kronish LLP to develop a fair and proper meeting process and procedures for deciding what available information about this matter can and cannot be properly presented to the Board for its discussion on August 5th without subjecting the Academy to any undue liability. More information about that process will be given to you as it is developed prior to the meeting.

I hope that all of you can attend this special and critically important meeting in Minneapolis.

John P Parks
President
American Academy of Actuaries
1850 M Street NW
Washington, DC 20036-5805
or
1642 King James Dr
Pittsburgh, PA 15237
johnpparks@gmail.com
Mobile Phone (412) 760-6533
Home Phone (412) 369-9461
Fax (815) 301-3842

Using the "Reply To" feature of your email will send your response ONLY to the author. To send your message to the entire Academy Board of Directors mailing list, either add the list address (board@lists.actuary.org) to the address list of your response or use the "Reply All" feature of your email software.

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9/1/2009

ATTACHMENT D

Mary Downs

From: John P Parks [johnpparks@gmail.com]
Sent: Thursday, July 16, 2009 11:49 AM
To: Academy Board of Directors
Subject: [board] Special Board Meeting

The incredible challenge that faces us is grounded in multiple and quite often conflicting considerations. We are challenged by the fact that the Academy has no historical precedence to give us guidance. We have numerous entities that we need to give consideration to – they include: The members of the Academy, the Special Directors of the Board of Directors of the Academy, the Regular Directors of the Board of Directors of the Academy, the Executive Committee of the Academy, the Presidents Advisory Committee, the staff of the Academy, 19 past presidents and last but not certainly least Bruce Schobel. We are working to develop a fair and balanced process taking into consideration the needs of these different constituencies.

I truly appreciate the numerous comments, observations and suggestions that I have received via email, voice mail and individual conversations. It is overwhelming apparent that this is a passionate and vital concern of each and every one of our 29 board members.

I remain concerned about allowing phone-in attendance at the August 5th meeting. That concern is founded in the simple question "Would you want a number of contemporaries considering a critical decision about your future to be a distant voice over the phone or present and attentive in the room where the discussion is being held?"

I ask you all to respond to the following questions by noon tomorrow:

1. Can you attend the special board meeting on August 5th in person?
2. Should we consider an alternate date – such as sometime in September?
3. Should we defer this issue until our previously scheduled meeting on October 20th?

Again, because of the critical timing here please respond by noon tomorrow.

Thank you.

John P Parks
1642 King James Dr
Pittsburgh, PA 15237
johnpparks@gmail.com
Mobile Phone (412) 760-6533
Home Phone (412) 369-9461
Fax (815) 301-3842

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9/1/2009

ATTACHMENT E

Mary Downs

From: John P Parks [johnpparks@gmail.com]
Sent: Tuesday, July 21, 2009 8:55 PM
To: Academy Board of Directors
Subject: [board] Special Board Meeting

Dear Board Members:

Thank you all for responding to my questions last week. We will have the previously noticed special Board meeting on the afternoon of August 5, 2009 from 1 to 3 pm CT in Minneapolis. Given your responses, I am working to find an appropriate and confidential way to permit those Board members who cannot attend in person, which I strongly encourage you to do if at all possible, to call in to that meeting. Because of the sensitivity of the issues to be discussed at that special meeting, I ask you to refrain from any discussion of the matters to be considered at the August 5th Board meeting using this list serv or in any other unrelated meetings or communications in which you participate prior to that Board meeting. These are matters that need to be handled in the best interests of the Academy and with appropriate sensitivity and discretion. I believe nothing can be gained by either formal or informal discussion of those matters in meetings other than the upcoming Board meeting, and further unmanaged communication may potentially create unnecessary complications.

You should also be aware that In addition to assistance from Betsy Lewis, I've asked Phil Larson, a partner at Hogan and Hartson in Washington, with extensive expertise in association governance and litigation to advise us and attend the August 5th Board meeting.

Thank you for your cooperation. If you have questions, please contact Mary Downs in her capacity as General Counsel for the Academy. I will be back in contact with you next week with the process I would like to follow for the August 5 Board meeting.

John P Parks
1642 King James Dr
Pittsburgh, PA 15237
johnpparks@gmail.com
Mobile Phone (412) 760-6533
Home Phone (412) 369-9461
Fax (815) 301-3842

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ATTACHMENT F

Mary Downs

From: John P Parks [johnpparks@gmail.com]
Sent: Friday, July 31, 2009 8:55 AM
To: Academy Board of Directors
Cc: 'Larson, Philip C.'
Subject: [board] CONFIDENTIAL

Dear Members of the Board,

I am writing to provide advance notice of the policies and procedures we will follow during our special Board meeting on August 5. In developing these policies and procedures, I have received useful and thoughtful input from the special committee (Andrea Sweeny, Mary Downs, and outside counsel Betsy Lewis) I designated for this purpose, as well as the advice of special outside counsel (Phil Larson) we have retained to advise in this particular matter. After considering all that input, I have concluded that we will proceed as follows on August 5:

1. The purpose of our meeting will be to determine what action, if any, the Board should take at this time in response to the July 9, 2009 communication from a group of past Academy Presidents to the Board requesting that the current President-Elect be suspended from continuing to serve in that capacity and from assuming the position of President pending the outcome of ABCD proceedings relating to him.
2. This meeting will not consider whether any disciplinary action as to the President-Elect is appropriate at this time. Under the Academy's bylaws, all disciplinary matters are considered in the first instance by the ABCD. The Academy takes disciplinary action, if at all, only in response to a recommendation from the ABCD.
3. In considering what action, if any, the Board should take at this time, we will not discuss whether the arbitration decision which was included with the communication from the group of past Presidents to you is correct or incorrect, nor will we discuss the merits (or lack thereof) of the various claims and matters referenced in that arbitration. We will simply recognize that the arbitration occurred, that the arbitrators resolved all claims between the parties, and that their decision is now final. The Board's task will be to determine what, if any, non-disciplinary action to take at this time in light of this information.
4. Only Board Members and the Academy's management (Mary Downs) and counsel will be permitted to attend and participate in the Board's discussion. All such Members who wish to be heard will be given an opportunity to do so, subject to these policies and procedures and any other necessary reasonable limits on the length of individual remarks.
5. Board members who choose to participate by telephone must do so from a private location, on a secure line that cannot be overheard by others, and outside the presence of anyone else (other than another Board member). If you intend to participate by telephone, please contact Claire Mickelson with the phone number where you can be reached on August 5. We are arranging an operator assisted call. The operator will call those who have provided their numbers to us in advance, beginning at approximately 12:45 CDT. In order to be assured of access, you must provide the telephone number where you can be reached by COB, Monday, August 3.
6. If the Board takes any votes, they will be open (not secret).
7. Outside counsel retained to represent the Academy in this matter will provide guidance at the outset of our

9/1/2009

meeting on the appropriate parameters for the discussion, of the reasons for those parameters, and of the potential legal ramifications of the matters the Board is considering. The Board Member (the President-Elect) who is the subject of our discussions will absent himself while counsel is advising the Board.

8. The matters before the Board and its internal discussions should be treated as strictly confidential.

We are confident that these policies and procedures will permit us to protect the legitimate interests of the Academy and of all concerned in a manner consistent with applicable law and with the Academy's bylaws and other governing documents. If you have any questions about these policies and procedures, we will address them during the Board meeting. We appreciate and expect your support in adhering to them.

John P Parks
1642 King James Dr
Pittsburgh, PA 15237
johnpparks@gmail.com
Mobile Phone (412) 760-6533
Home Phone (412) 369-9461
Fax (815) 301-3842

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ATTACHMENT G

Larson, Philip C.

From: John P Parks [johnpparks@gmail.com]
Sent: Friday, August 14, 2009 8:06 PM
To: bdschobel@aol.com
Cc: downs@actuary.org; 'Dave Wachen'; Larson, Philip C.
Subject: RE: Presentation to the Columbus Actuarial Club

Bruce,

We are confident that the Board's action on August 5 was valid. Accordingly, if you choose to appear at this event, you are not authorized to hold yourself out as an officer or director of the Academy.

John P Parks
1642 King James Dr
Pittsburgh, PA 15237
johnpparks@gmail.com
Mobile Phone (412) 760-6533
Home Phone (412) 369-9461
Fax (815) 301-3842

From: Bruce Schobel [mailto:bdschobel@aol.com]
Sent: Friday, August 14, 2009 3:29 PM
To: johnpparks@gmail.com
Cc: downs@actuary.org; Dave Wachen
Subject: Fw: Presentation to the Columbus Actuarial Club

Hi John,

At this point, now that we all recognize the invalidity of the Board's attempted action on August 5, I am planning to fulfill my obligations as president-elect, including speaking to this actuarial club. Serving the members must be among our highest priorities.

Bruce

From: "Bruce Schobel"
Date: Fri, 14 Aug 2009 19:16:29 +0000
To: <SIMMSS@nationwide.com>
Subject: Re: Presentation to the Columbus Actuarial Club
Yes, I did.

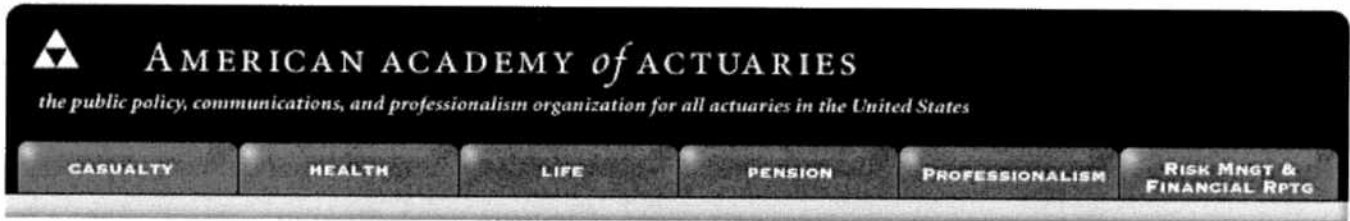
Bruce

From: SIMMSS@nationwide.com
Date: Fri, 14 Aug 2009 15:15:26 -0400
To: <bdschobel@aol.com>
Subject: Re: Presentation to the Columbus Actuarial Club

Hi Bruce;
I sent you an email on July 15 to fill you in on the location of the September 10 Columbus Actuarial Club meeting and to provide information on hotels in the area. Did you get the email? If not, I can resend it.
Thanks.

9/1/2009

ATTACHMENT H



Search

Member log-in

News for Wednesday, September 02, 2009

- About us
- Newsroom
- Publications
- Issues
- Calendar of events
- Jobs
- Membership
- Code of Conduct
- TRACE
- ASB
- ABCD
- Profession-wide search
- Find an actuary
- Links

Announcement from Academy president

President John P. Parks announced Aug. 27 that he has asked the Academy's Nominating Committee to select a candidate to fill the vacancy in the office of the President-Elect. The members of the Nominating Committee are Steve Lehmann, Chairperson, Bill Bluhm, Vice Chairperson, John Parks, Tom Finnegan, Roger Hayne, Mike McLaughlin, Larry Sher, and a regular member of the Academy's Board of Directors to be selected shortly by Mr. Parks.

Downs appointed executive director

Mary Downs has been appointed the executive director of the Academy. Downs had been appointed interim executive director in April.

- [Read](#) news release

Sign-up for fall events

- All Academy members are invited to the Oct. 26 [Annual Meeting luncheon](#) in Boston, highlighted by keynote speaker Doris Kearns Goodwin.
- **Life and health:** Register online for the Academy's popular life and health [qualifications seminar](#) in Arlington, Va.
- **Professionalism:** The Council on Professionalism's Oct. 7 webinar will provide some understanding of what is needed to apply Precept 13 and its annotations.

Actuaries encourage NAIC to adopt Standard Valuation

Spotlight on health care reform

The Academy highlights the need for [consideration of transition rules](#) in order to mitigate potential market disruption brought on by the implementation of stricter issue and rating rules in its latest edition of papers entitled, *Critical Issues in Health Reform*. Each of the policy statements is designed to provide an actuarial perspective on various components of comprehensive health care reform proposals.

Online tracking tool for all your CE and EA credits

Keeping track of your continuing education credits has never been easier with the introduction of TRACE™, tracking your CE, a new free online tool available for all Actuaries, including enrolled actuaries.

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Calendar for actuarial CE

Use the easy-to-search North American [CE Calendar](#) to help plan your continuing education schedule. The calendar lists Academy, ASPPA, CAS, CCA, CIA, and SOA events.

Hotel discounts for members

Did you know you can use your Academy membership to get a business-class hotel room at Club Quarters in New York, London, Boston, Chicago, Washington, Philadelphia, or San Francisco? To find out how, [log in](#) to your member welcome page.

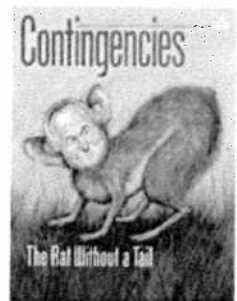


TRACE

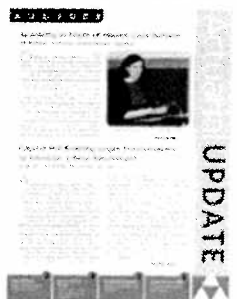


Health Reform NOW

the Social Security game



The current Contingencies



The Actuarial Update

Law

The Academy applauds progress made on the principle-based approach initiative after two bodies of the National Association of Insurance Commissioners (NAIC) voted back-to-back to adopt proposed revisions to the Standard Valuation Law.

- [Read news release](#)

Federal long-term care legislation falls short

According to recent analysis by the Academy and Society of Actuaries, the proposed structure and funding approaches in the *Community Living Assistance Services and Supports Act* will require premiums that may exceed affordable levels for those in the intended population and is unlikely to cover more than a very small proportion of the intended population.

- [Read news release](#)

Help from PAL

The Academy's Pension Assistance List (PAL) program helps people who have questions about their pension plans.

- **Members of the public:** [Ask for assistance.](#)
- **Actuaries:** [Volunteer for PAL](#)

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ATTACHMENT I

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Statement by Bruce Schobel

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Yesterday, 01:37 PM #1



bdschobel
Past SOA President




Statement by Bruce Schobel

During the past month, the Board of the American Academy of Actuaries has engaged in egregious and unprecedented behavior that has interfered with and prevented me from continuing my good work as a leader of the actuarial profession and has harmed me personally. Because negotiations have proven to be fruitless, I have found it necessary to file suit against the Academy in the United States District Court in Washington, DC. I am confident that the court will remedy this bad situation and provide justice. I am eager to continue performing my duties as president-elect and a director of the Academy and look forward to becoming president on October 26.

Bruce

Join Date: May 2004
 Location: New York City
 Studying for FSA '76
 College: MIT '74
 Posts: 4,837

Yesterday, 01:43 PM #2



merkin
Member

Quote:

Originally Posted by **bdschobel**

During the past month, the Board of the American Academy of Actuaries has engaged in egregious and unprecedented behavior that has interfered with and prevented me from continuing my good work as a leader of the actuarial profession and has harmed me personally. Because negotiations have proven to be fruitless, I have found it necessary to file suit against the Academy in the United States District Court in Washington, DC. I am confident that the court will remedy this bad situation and provide justice. I am eager to continue performing my duties as president-elect and a director of the Academy and look forward to becoming president on October 26.

Bruce

Join Date: Jan 2009
 Posts: 41

One in five U.S. homeowners with mortgages owe more to their lenders than their homes are worth, and the rate will increase as housing prices drop in states that have so far avoided the worst of the crisis, a new study shows.

Yesterday, 01:44 PM #3

Join Date: Jul 2009