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IN THE IOWA DISTRICT COURT IN AND FOR SCOTT COUNTY 2013 MAR 27 AM 8:12

CLERK OF DISTRICT COURT
SCOTT COUNTY, IOWA

DEBRA J. STORK, SHERRY O'KEEFE,)
MICHELLE WEBER, KELLY GILHOOLY,)
LISA TANK,)

Case No. 122451

Petitioners)

vs.)

GIRL SCOUTS OF EASTERN IOWA-)
WESTERN ILLINOIS, INC.)

**ANSWER TO AMENDED
PETITION FOR DECLARATORY
JUDGMENT AND RESISTANCE
TO MOTION FOR TEMPORARY
INJUNCTION**

Respondent.)

COMES NOW the Respondent in answer to the Petitioners' Amended Petition for Declaratory Judgment and in resistance to Petitioner's Motion for Temporary Injunction, states as follows:

COUNT I

1-5. Respondent admits the allegations of paragraphs 1 through 5 of Petitioners' Amended Petition.

6. Respondent admits the allegations of paragraph 6 of Petitioners' Amended Petition with the exception of its corporate name which is the "Girl Scouts of Eastern Iowa and Western Illinois, Inc." (not hyphenated as set forth in Petitioner's Amended Petition).

7-8. Respondent admits the allegations of paragraphs 7 and 8 of Petitioners' Amended Petition.

9. Respondent admits that it owns the four camps described in subparagraphs a through d of paragraph 9 of Petitioners' Amended Petition and denies

the remaining allegations thereof. Only Camp Little Cloud and Camp Conestoga are used for residential camping. Camp Tahigwa and Camp L Kee Ta are utilized for day use and overnight camping specially scheduled. The Respondent also owns its service center in Bettendorf, Iowa, an activity center in Rock Island, Illinois, a regional office in Burlington, Iowa, a regional office in Dubuque, Iowa, and leases three regional offices in Waterloo, Cedar Rapids and Decorah, Iowa.

10. Respondent admits the allegations of paragraph 10 of Petitioners' Amended Petition.

11. Respondent admits the allegations of paragraph 11 of Petitioners' Amended Petition with the caveat that camp programming is only one of many Girl Scout programs which promote its ideals and develop courage, confidence and character in the participating scouts.

12. Respondent denies that it announced to its members that it intended to sell four camp properties when in fact it announced that it had received a recommendation from its Property Committee to do so and that it would take up this matter after notice to its membership and holding five town hall meetings on the subject to gain membership input. Respondent only admits that it notified the membership on February 5, 2013 of the Committee's recommendation and denies the remaining allegations of paragraph 12 of Petitioners' Amended Petition.

13. Respondent admits the allegation of paragraph 13 of Petitioners' Amended Petition, that on February 5, 2013 it notified the membership of the Property Committee's recommendation and that a vote would be taken by the Board on the recommendation at its next regular meeting to be held on March 28, 2013. The notice

took the form of a letter from Respondent's CEO, Diane Nelson, which was sent to the entire membership and a copy of which marked Exhibit 1 is attached hereto and by this reference made a part hereof. The Minutes of the Board's February 4, 2013 were attached to Petitioner's Amended Petition as Exhibit A and state as follows:

Candace Arp made a motion that the property committee recommendations be taken to the membership utilizing the Town Halls meetings in February and March and through various other marketing methods. The board would consider any feedback received and vote on the recommendation at the March 28, 2013 meeting. Lee Mowers provided a second and the motion was approved.

These meeting minutes which were then posted to the Respondent's website, confirm that the membership would be fully notified of the Committee's recommendation, be given an opportunity for personal input at the town hall meetings and that the membership would be fully aware and on notice that the Board of Directors' next meeting was scheduled for March 28, 2013.

14. The sale of real estate by the Respondent has always been a Board of Directors decision. In the past 15 years Camps Shabonne, Piper Hills and Sacajawea were sold in 1997-1998 and the new Bettendorf service center was purchased in 2012, all of which real estate transactions were processed in the regular course of activities by the Respondent's Board of Directors. Iowa Statute §504.1201 provides that an Iowa nonprofit corporation may on terms and conditions determined by its Board of Directors, sell, lease, exchange or otherwise dispose of all, or substantially all, of its property in the usual and regular course of its activities. Respondent admits that corporate decisions on the sale of real estate are properly to be made by the Board of Directors alone. The membership elects the Board of Directors to act on behalf of the corporation

in conducting its regular course of activities. Respondent denies any remaining allegations of paragraph 14 of Petitioners' Amended Petition.

15. Respondent denies the allegations of paragraph 15 of Petitioners' Amended Petition. See also paragraph 9 above which sets forth multiple properties owned by the Respondent. Based on the Respondent's last audited statement of September 30, 2012, the four camp properties described in paragraph 9 above represent only 29% of the Respondent's total assets and only 49% of all real estate holdings. See Respondent's Exhibit 2 which is attached hereto and by this reference made a part hereof.

16. Respondent denies the allegation in paragraph 16 of Petitioners' Amended Petition that Iowa Code §514.1202 applies to this cause of action. The Board of Directors' strategic planning process with regard to the Respondent's camp properties and even future real estate sales, if any, are within the regular course of activities that are decided by the Board of Directors.

17. Respondent admits that a copy of its Bylaws is attached as Exhibit B to Petitioners' Amended Petition. The Bylaws speak for themselves and do not provide for a membership vote on strategic planning nor future real estate sales, if any, that are within the regular course of activities. Respondent denies the remaining allegations of paragraph 17 of Petitioners' Amended Petition.

18. Respondent denies the allegations of paragraph 18 of Petitioners' Amended Petition. The sale of real estate by the Respondent has always been a Board of Directors decision. In the past 15 years Camps Shabonne, Piper Hills and Sacajawea were sold in 1997-1998 and the new Bettendorf service center was

purchased in 2012, all of which real estate transactions were processed in the regular course of activities by the Respondent's Board of Directors. Iowa Statute §504.1201 provides that an Iowa nonprofit corporation may on terms and conditions determined by its Board of Directors, sell, lease, exchange or otherwise dispose of all, or substantially all, of its property in the usual and regular course of its activities.

19. Respondent requests that the Court deny Petitioners' request to apply Iowa Code §504.1202 as all actions contemplated by the Respondent's Board of Directors are within the regular course of its activities and are matters to be decided solely by the Board of Directors for the reasons stated herein. Respondent therefore denies the allegations and relief requested in paragraph 19 of Plaintiffs' Amended Petition.

20. Respondent requests that the Court deny Petitioners' request for a temporary injunction for the reason that Iowa Code §504.1202 does not apply to the regular course of activities which the Board of Directors is conducting in formulating a strategic plan for its camp properties. There are no pending or contemplated sales of real estate. The prior recommendation to the Board of Directors by the Respondent's Property Committee to consider as part of Respondent's strategic plan, the possible sale of the four camp properties described in paragraph 9 above, has been superseded by a new recommendation from the Property Committee, a copy of which is attached hereto as Respondent's Exhibit 3 and by this reference made a part hereof. Said new recommendation calls for the retention of all four camps with the future possible sale of unutilized, excess acreage not required to support the core camp activities.

Respondent therefore denies the allegations and relief requested in paragraph 20 of Plaintiffs' Amended Petition.

21. Respondent denies that the Petitioners nor the Respondent's membership will suffer any irreparable harm or injury as a result of the current strategic planning process in which the Board of Directors is involved and upon which it may vote at its next regular meeting scheduled for March 28, 2013. There are no pending or contemplated sales of real estate as this is only a planning process. The membership has had notice and substantial input into this planning process which started in 2008 and for which town hall meetings were held this past two months in six regional locations including Waterloo, Cedar Rapids, Burlington, Decorah, Dubuque and the Quad Cities plus a special meeting with Dubuque volunteers via teleconference. As a result of membership input, the Property Committee's recommendation to the Board of Directors was revised as stated above and set forth in Respondent's Exhibit 3. Said recommendation calls for all camps to be fully operated for 2013 by the Respondent. It further provides that if in the future it is determined that there is unutilized acreage that is not required to support the core camp activities, such limited acreage can then be considered for sale on terms and conditions which at that time would be reviewed and subject to Board approval. The Board of Directors desire to discuss and act upon a strategic planning process for the corporation with respect to its camp properties is wholly within a Board of Directors' normal and expected duties and such action in no way can result in the irreparable harm and injury that Petitioners allege. Respondent therefore denies the allegations and relief requested in paragraph 21 of Petitioners' Amended Petition.

WHEREFORE, Respondent prays that the Petitioners' Amended Petition for Declaratory Judgment and Motion for Temporary Injunction both be denied.

COUNT II

22. Respondent restates its responses to paragraphs 1-2 of Count I of Petitioners' Amended Petition as if set forth verbatim herein.

23-24. Respondent admits the allegations of paragraphs 23 and 24 of Petitioners' Amended Petition.

25. The strategic plan proposal, recently revised by the Property Committee and attached as Respondent's Exhibit 3, is on the Board of Directors' agenda for its regular meeting scheduled for March 28, 2013 and may be voted on by the Board at that time. The Board of Directors are entrusted with the management of the corporation and are the proper persons to act upon a recommendation from the Property Committee which is in the regular course of activities. Respondent therefore denies the allegations and relief requested in paragraph 25 of Petitioners' Amended Petition.

26. Respondent admits that Petitioner Stork has initiated an effort to call a special meeting of the membership without success and that Exhibit H is attached to the Petitioners' Amended Petition which sets forth her request; otherwise, the Respondent denies the remaining allegations of paragraph 26 of Petitioners' Amended Petition.

27. Respondent admits the allegations of paragraph 27 of Petitioners' Amended Petition.

28-29. Respondent admits the allegations of paragraphs 28 and 29 of Petitioners' Amended Petition.

30. Respondent notified Petitioner Stork that the Council would compile the requested membership mailing addresses by February 27 as special staff time would be required just to do so in compliance with Iowa Code §504.1602. To accommodate Petitioner Stork, the Respondent made special arrangements to deliver the membership mailing addresses to Dubuque so that they would be available to Petitioner Stork in her home community on February 27. Respondent denies any remaining allegations of paragraph 30 of Petitioners' Amended Petition.

31. Iowa Code §504.1601 provides that the corporation maintains its members' names and addresses only. This information was provided to Petitioner Stork in compliance with her request. The Respondent assisted Petitioner Stork by sending her Request for a Special Meeting to all of the members of the corporation who are minors, between the ages of 14 and 17, the cost of which was paid by the Respondent. The Respondent denies any remaining allegations of paragraph 31 of Petitioners' Amended Petition.

32. Petitioner Stork has had 28 days to collect only 560 membership signatures to support her Request for a Special Meeting but to date the Respondent has not received said Request. Petitioner Stork's desire to call a special meeting for the purpose of considering an amendment to the Bylaws regarding approval of actual real estate sales, is not germane when the only recommendation before the Board of Directors for consideration concerns strategic planning and no actual sale of any real estate. The Respondent denies any remaining allegations of paragraph 32 of Petitioners' Amended Petition.

33. Respondent admits the allegations of paragraph 33 of Petitioners' Amended Petition.

34. The Petitioners and the Respondent's membership have been aware of the regularly scheduled monthly meeting of the Board of Directors to be held on March 28, 2013 by virtue of the Respondent's website and specifically by the email sent February 5, 2013 to the membership informing it of the Property Committee's recommendation and that said recommendation would be voted upon at the Board's March 28th meeting. See Exhibit 1 of notice to all membership of March Board meeting. Minutes of each Board meeting are published on the Respondent's website and the Minutes include notification of the next regular meeting of the Board. Board meeting notification is also included in the Respondent's blog and Facebook page. Respondent's magazine *Momentum* was also sent to all members on March 10, 2013 and included notice of the Board's March meeting on page 1. The manner herein outlined has been the customary and longstanding process of keeping the membership notified of the Board's meetings and activities. The Respondent denies any remaining allegations of paragraph 34 of Petitioners' Amended Petition.

35. Respondent denies the allegations of paragraph 35 of Petitioners' Amended Petition.

36. Respondent admits the allegations of paragraph 36 of Petitioners' Amended Petition.

37. Historically there has been no open forum at regular monthly Board meetings for members. In this case, the town hall meetings were held to allow an open forum for the members to provide input to the Board of Directors. Board meetings are

generally considered only for the Board to conduct its business unless visitors have been invited to address a specific agenda item. Respondent admits that it received a handful of inquiries from individual members wondering if the meeting would be open on March 28th for membership input and they were told that it would not as the input had been received through the town hall meeting process and direct contact with individual Directors and staff. Therefore, Respondent admits the limited communication that it had with members in this regard and as alleged in paragraph 37 of Petitioners' Amended Petition.

38. The Respondent admits that its Board of Directors in administering the affairs of the corporation are serving in a fiduciary capacity and must consider the best interests of the corporation and its membership. The allegations of paragraph 38 of Petitioners' Amended Petition in which they state "Based on the foregoing, a fiduciary relationship exists between the Petitioners and the Respondent." is ambiguous in that it does not specify what exact circumstance they are referring to, therefore, the Respondent denies the allegation of said paragraph for lack of knowledge and belief.

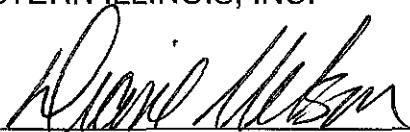
39. Respondent denies the allegations of paragraph 39 of Petitioners' Amended Petition.

40. Respondent denies the allegations of paragraph 40 of Petitioners' Amended Petition.

41. The Affidavit of Diane Nelson, CEO of the Respondent, is attached hereto marked Exhibit 4 and by this reference made a part hereof, verifying and attesting to this Answer and Resistance.

WHEREFORE, Respondent prays that the Petitioners' Amended Petition for Declaratory Judgment and Motion for Temporary Injunction both be denied. As evidenced by this Answer and Resistance, the Respondent and its Board of Directors are in compliance with Iowa Code §504 and its Bylaws. The action currently under consideration by the Board for which the Petitioners have brought this action, are only in the nature of strategic planning being carried out in its regular course of business activities. No action will be taken at the Respondent's Board of Directors March 28, 2013 meeting that would result in the direct and immediate sale of any property. There is no irreparable harm or injury that can result from this strategic planning process which has been ongoing and involved the membership since its inception in 2008. The new recommendation before the Board recommends the operation of all camps for 2013 and their retention thereafter with the future possible sale of unutilized, excess acreage not required to support the core camp activities. This new recommendation comes about as a result of the input provided by the membership at the six town hall meetings held the past two months plus a special meeting with Dubuque volunteers via teleconference. For all of the reasons enumerated above, the Petitioners' Amended Petition for Declaratory Judgment and Motion for Temporary Injunction, are without foundation and should be denied.

GIRL SCOUTS OF EASTERN IOWA AND
WESTERN ILLINOIS, INC.

By: 
Diane Nelson, CEO

Henry G. Neuman
Betty, Neuman & McMahon, PLC
111 E. 3rd St., Ste. 600
Davenport IA 52801
ATTORNEY FOR RESPONDENT

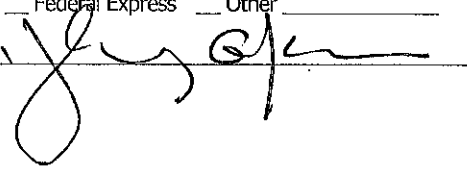
Copy to:

Susan M. Hess
Hammer, Simon & Jensen, P.C.
775 Sinsinawa Ave.
East Dubuque IL 61025

Proof of Service

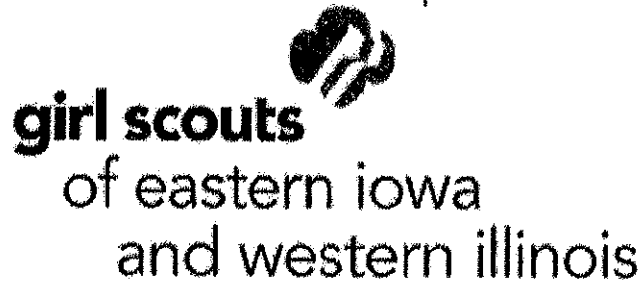
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause to each of the attorneys of record herein at their respective addresses disclosed on the pleadings on March 27, 2013 by:

U.S. Mail Fax
 Hand Delivered Overnight Courier
 Federal Express Other

Signature: 

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Sent Feb. 5 at 1:18 p.m.



Girl Scouts Meets Changing Needs

Dear Friends,

Our founder, Juliette Gordon Low said that 'the work of today is the history of tomorrow, and we are its makers.' It is with that charge that I share the recent recommendation of our council board of directors: to sell all four of our Girl Scout camp properties: Camp Conestoga in Scott County, Camp Little Cloud in Dubuque County, Camp L-Kee-Ta in Des Moines County, and Camp Tahigwa in Allamakee County.

This recommendation was not rushed nor was it simple. It follows five years of data collection and many hours of review from our volunteer property committee, and will go to vote at the March 28 board meeting.

Our girls have continued to vote with their participation. Even with our steady growth in membership and increased marketing efforts, there has been an ongoing decline in the number of girls using our camp properties. Meanwhile, the need for improvements to the camps has escalated.

Today's girls are more interested in adventure and travel opportunities than the rustic camp experiences that our camps were designed for. Cabins, full restroom facilities, climate control, and technology access are important to them and our volunteers, but aren't available through our current facilities. To bring each property up to speed would require a major redesign of our property infrastructure.


We are strongly committed to using the revenue from the sale to further support the outdoor leadership experience. The sale of the properties will open the door for us to respond to current trends and needs of girls in our council. At the recommendation of the property committee, we're excited about exploring the development of a new outdoor learning center which could help us meet the expectations of our current Girl Scout membership.

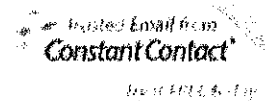
EXHIBIT 1

Juliette Gordon Low referred to Girl Scouts as an organization that should not look the same generation after generation. It should change and evolve as girls change. The core values and mission of our program remains the same but our methods of delivering the program must always be in review. Each of our memories will last forever - and the Girl Scouts will continue to build new memories.

Diane Nelson
CEO of Girl Scouts of Eastern Iowa and Western Illinois

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Girl Scouts of Eastern Iowa and Western Illinois | 940 Golden Valley Drive | Bettendorf | IA | 52722

**Girl Scouts of Eastern Iowa & Western Illinois, Inc.
Percent of Camp Property to Net Assets of the Council**

As of September 30, 2012 (Audited)

TOTAL COUNCIL

Total Net Assets	\$7,962,786
Net Property & Equipment	\$3,939,136
% Property to Total Net Assets	49.00%

CAMP PROPERTIES ONLY

Total Net Assets	\$7,962,786
Net Property & Equipment (Camp Properties Only)	\$2,325,725
% Camp Property to Total Net Assets	29.00%

Property Recommendation

The property committee is committed to providing properties that are relevant for our Girl Scout program and outdoor camping education and are fiscally sustainable. The committee will align with the needs of today's girls and the leadership development mission. Our members at our town hall meetings clearly communicated that they as volunteers want the opportunity to do the following:

- a. Raise funds to support local traditional camping opportunities.
- b. Develop, market, and lead local year-round programming for girls.
- c. Mentor leaders and girls in camp traditions.

We recommend:

1. Camp for 2013 will occur as scheduled. Resident camp will take place at Camp Conestoga and Camp Little Cloud. Camp Tahigwa and Camp L- Kee -Ta will both offer a variety of programs for girls of all ages.
2. After researching various options for acquiring land for a new Girl Scout resident camp, which included meeting with realtors, Corps of Engineers and other entities, we have come to the conclusion that the cost of new land in the most central area of our council would not be feasible. Therefore, we have decided to develop property we already own and develop a year-round resident camp for our girls in eastern Iowa and western Illinois.
3. Our most centrally owned property is our camp in New Liberty, Iowa. This property is within 65 miles (an hour drive) of 75% of GSEIWI's girl population. This property will be the home of our GSEIWI resident camp for Girl Scouts of Eastern Iowa and Western Illinois. Starting in the fall of 2013, this property will be redeveloped, redesigned, and renamed to meet the needs of our girls, with an estimated completion date of 2015. Plans will include modern and rustic elements, as well as buildings equipped for year-round use. A task force of girls and volunteers from GSEIWI will be asked to participate in the designing, naming and planning of this project. After the project is complete, unutilized land will be offered for sale. We will work with potential buyers that will focus on keeping the land as natural as possible. Safety will be our number one priority as we move forward.

4. Our property in Epworth, Iowa, Camp Little Cloud, will be the interim resident camp for GSEIWI during the development of the camp property in New Liberty, Iowa.
5. After the completion of the redesigned resident camp near New Liberty, Iowa in 2015, the majority of the land at Camp Little Cloud will be offered for sale. The remaining land at Camp Little Cloud will be used for troop activities, service unit events, overnights, council events and activities. This camp will be operated by volunteers and part-time staff to provide program and maintenance needs. Again, we will work with potential buyers that will focus on keeping the land as natural as possible. Safety will be our number one priority as we move forward.
6. Our property located in Allamakee County, Camp Tahigwa, will be offered for sale in 2013 or early 2014 with the intent that a new owner would take possession by fall 2015. If sold prior to 2015, arrangements will be made to continue using the camp until fall 2015. Until then, the camp will continue to be used for troop activities, service unit events, overnights, council events and activities. This camp will be operated by volunteers and part-time staff to provide program and maintenance needs. A taskforce of girls and adults will be established to assist in identifying locations to provide these activities nearer to the Decorah area following fall 2015.
7. Our property located in Danville, Iowa, Camp L-Kee-Ta, currently has significant acreage beyond what is needed for troop activities, service unit events, overnights, council events and activities. This unutilized land will be offered for sale in 2013 or early 2014. Only the minimum land needed to continue troop activities, service unit events, overnights, council events and activities will be retained. Again, we will work with potential buyers that will focus on keeping the land as natural as possible. Safety will be our number one priority as we move forward.
8. The proceeds from all sales will be used to:
 - Provide scholarships to our girls who attend resident camp.

- Provide transportation from our leadership centers in Decorah, Waterloo and West Burlington locations for council resident camp at no extra cost to our girls.
- Develop our redesigned GSEIWI camp to meet the program and outdoor educational needs of today's and tomorrow's girls in eastern Iowa and western Illinois.

The Finance Department is working on a report that will show the financial impact of this proposal.

IN THE IOWA DISTRICT COURT IN AND FOR SCOTT COUNTY

DEBRA J. STORK, SHERRY O'KEEFE,
MICHELLE WEBER, KELLY GILHOOLY,
LISA TANK,

Petitioners

vs.

GIRL SCOUTS OF EASTERN IOWA-
WESTERN ILLINOIS, INC.

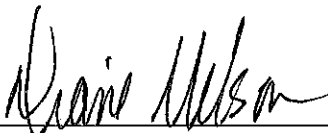
Respondent.

Case No. 122451

AFFIDAVIT OF DIANE NELSON

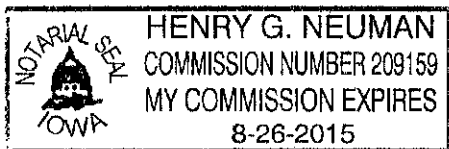
STATE OF IOWA, COUNTY OF SCOTT, ss:

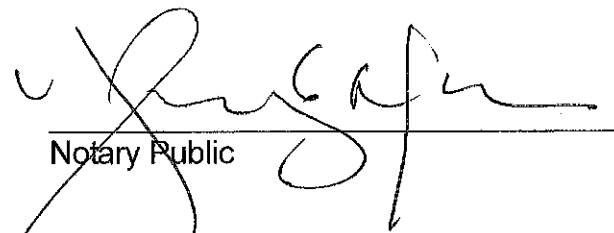
I, Diane Nelson, being first duly sworn upon my oath, depose and state that I am the CEO of the Respondent making the attached Answer to Amended Petition for Declaratory Judgment and Resistance to Motion for Temporary Injunction, that I have read the same and know the contents thereof, and state that the statements and allegations therein made and contained are true and correct as I verily believe.



Diane Nelson

Subscribed and sworn to before me this 27th day of March, 2013.





Notary Public