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June 16, 2014

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Michael Quinn Sullivan
President, Texans for Fiscal Responsibility
P.O. Box 200248
Austin, Texas 78720

Re: Your Letters Dated May 21 and June 2, 2014.

Dear Mr. Sullivan:

On behalf of the University of Texas Law School Foundation, this letter notes your recent publication of statements that there existed at the UT Law School "a multi-million dollar payola scheme. . ." and "a pay-out scheme in which a UT Foundation was secretly—and illegally—handing out 'forgivable loans' (pay offs) to favored professors and administrators." Your statements were made personally and on behalf of an organization calling itself "Texans for Fiscal Responsibility," and have been disseminated in your two letters dated May 21 and June 2, 2014 circulated to a variety of recipients across Texas and elsewhere. Those statements are false, defamatory and malicious and on behalf of the Foundation's Trustees we request a retraction of those statements.

From its formation in 1952 as a non-profit organization the Law School Foundation has provided financial support for a single UT school—The University of Texas School of Law. The Foundation has for over 60 years through its volunteer Board of Trustees raised funds from the private citizens of this State in support of its two principal goals: to provide scholarships and other financial aid to UT law students and to make available, whenever possible, funds requested by UT Law School Deans and administration as financial support for the Law School's efforts to hire and retain the highest quality law professors in the highly competitive market which exists.

Contrary to the false assertions in your letter, any funds contributed by the Foundation toward supplementing compensation of law professors, including the deferred compensation agreements patently mischaracterized in your letters, have been furnished by the Foundation solely in response to Law School administrative requests by past Deans of the Law School who have in turn been responsible for the selection, negotiation and terms of any such compensation arrangements relating to the Law School's professors. The Foundation has been advised that similar deferred compensation arrangements are common among other top-ranked law schools around the country against which UT Law School must compete for teaching talent. All requests for support are evaluated by the Foundation and funds are provided as deemed consistent with Foundation goals.

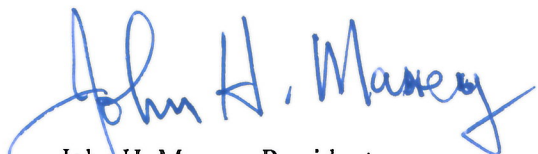
The Foundation's furnishing of funds in response to those requests by the UT Law School Deans have been in conformity with the provisions of the Memorandum of Understanding between the UT System and the Foundation which designates the Law School Dean as the appropriate representative of UT's interests in coordinating Foundation support for the operations of the Law School. The requested support includes providing

resources "for the benefit of the Law School and the University to insure procurement and retention of outstanding law faculty members . . . to enhance the prestige of, and to advance the Law School. . . ." Consistent with the letter and spirit of those agreements, the Foundation honored the requests to fund the deferred compensation agreements and not, as you wrongly state, to participate in an illegal pay off scheme. Before publishing those untrue statements you should have informed yourself of the important and obvious reality that in soliciting donations and funds from our Texas citizenry in support of these Law School Foundation goals, and in responding to requests from the Law School, the Trustees contribute their own time and money with no compensation and have no personal interest in nor receive any benefit from these administrative decisions by the Law School regarding its faculty or staff compensation needs.

The Foundation's efforts to raise funds and donations in support of the Law School have been among the most successful of any independent UT foundation in the System. The Foundation currently manages over \$160 million in funds invested for the sole benefit of the Law School. Over the past 12 years alone, as a consequence of contributions and donations by the Trustees and a myriad other Texas citizens, the Foundation has in turn donated over \$79 million (net of the remaining \$160 million) to the financial support of the UT Law School and its students. Foundation contributions to the Law School now exceed \$8.5 million annually. This represents nearly 13% of the annual Law School budget and approximates the financial support received by the Law School from the State. Simply stated, the Foundation's private sector contributions significantly reduce both the State's revenue burden and that of tuition-paying students with respect to the operation and enhancement of the Law School.

It is obvious that there exists enormous competition among a great many causes for philanthropic support in Texas. The continued financial and fundraising support from among the Foundation Trustees, together with the many other private donors from around Texas and elsewhere, is crucial to sustaining the financial aid so badly needed by our law students. And it is those same law students who are most seriously harmed by the kind of false and irresponsible statements contained in your letters. The work of the Foundation and its Trustees should be supported not falsely attacked and impeded. Whatever political or other agenda-driven motivations prompted your actions cannot justify damaging the interests of our Trustees and other private donors from around our State and, most importantly, the law students who must rely on that financial aid in order to have an opportunity to obtain a law degree from one of America's top-ranked law schools.

Sincerely,



John H. Massey, President
University of Texas Law School Foundation



Robin C. Gibbs, Vice President
University of Texas Law School Foundation

cc: Trustees, University of Texas Law School Foundation
Speaker of the House, Texas Legislature
Members of the Texas House Select Committee on Transparency
Texas Coalition for Excellence in Higher Education,
(Gordon Appleman and Jenifer Sarver)
Charles Matthews, President, Ex-Students' Association of The University of Texas