



UNT | SYSTEM

UNT
UNT | HEALTH SCIENCE CENTER
UNT | DALLAS
UNT | SYSTEM OFFICE

OFFICE OF THE BOARD OF REGENTS

Jack A. Wall - Chairman

December 18, 2012

VIA HAND DELIVERY

Scott B. Ransom, D.O.
Office of the President
UNT Health Science Center
3500 Camp Bowie Blvd.
Fort Worth, Texas 76107

Dear Dr. Ransom:

Over the past six years the University of North Texas System Board of Regents and Chancellor Lee F. Jackson have expressed concerns about aspects of your conduct and leadership style, always with the belief that these aspects of your performance would improve and that you would succeed despite these challenges. However, the acute and disruptive nature of your actions over the past three months offsets the accomplishments you have achieved and raises serious concern about your ability to continue leading the UNT Health Science Center. Pursuant to section 5.02(c) of your employment agreement, which became effective September 1, 2010, this letter is to inform you of the Board's intent to terminate for good cause your employment agreement as President.

The Board and the Chancellor have found it increasingly necessary to give you explicit guidance and directives concerning your conduct and activities with regard to carrying out your official responsibilities as President. Your decision to ignore, disregard or violate these directives and orders has caused considerable disruption and undermined your leadership. The following matters constitute good cause to terminate your employment agreement:

The Study of a Possible Merger. Earlier this year, the UNT System determined that, given important new developments elsewhere in Texas, the possibility of a merger within the System merited serious study. Instead of allowing this study to proceed in a thoughtful and objective way, we discovered that you were conducting a personal campaign to stop any serious internal consideration of this issue by System leadership. You did not seek to discuss your concerns with Board members or officers or disclose that you were conducting such a campaign. You chose this approach even though you had opportunities to speak with members of the Board of Regents about the issues, and to freely express those opinions and conclusions you believed were justified by the facts. Our concerns about your behavior have nothing to do with the substance of whether the idea of a merger is a good one or not, but instead we are concerned that the internal

Scott B. Ransom, D.O.
December 18, 2012
Page 2 of 4

discord you created actively undermined the ability of the UNT System to conduct a fair and objective examination of this topic that is so important to many of our peer institutions in Texas.

You were specifically told that no merger would ever go forward in the UNT System unless convincing evidence showed that a merger would benefit Fort Worth as well as Denton, and that UNTHSC would continue to operate with maximum autonomy under any reorganization. With that premise established at the outset, you were directed to support an open and honest review of the potential merger of UNT and UNTHSC, and instructed to be fair, thoughtful, and professional in your participation in and leadership of the campus merger study. In addition, you were specifically directed *not* to: (a) undermine or prejudice a collaborative study to be undertaken by UNT and UNTHSC; (b) focus on administrative details but rather on major strategic issues in the first phase of the merger study; (c) incite community or campus fear of change until the initial merger study was complete and the Board had the opportunity to review it; (d) criticize the flagship campus or draw attention to any alleged institutional shortcomings; (e) advocate for disregard or circumvention of key state officials; (f) speculate about moving UNT's headquarters out of Denton; and (g) address the System organizational ramifications of a merger prematurely, speculatively, and without facts. And, most revealing, you repeatedly were told to set aside your own ambitions to become the President of the possible merged institution and to defer that discussion until after the issue had been studied so that no individual's needs or ambitions would be given more attention than the institutional opportunities. However, you ignored or violated almost every one of the specific directives given to you. By way of example:

1. In August and September of this year, you expressed to the Chancellor and members of the Board of Regents your own interest in being appointed President of any newly merged institution. You continued to talk about this even after you were told that any discussion or decision would come later, if a merger was feasible. After Board members and the Chancellor told you in September that you would receive consideration at the appropriate time but that absolutely no prior commitment or appointment would be made as a condition of the study of a merger, you changed your rhetoric. You no longer talked about the positive transformative opportunity but instead persistently argued about why such a merger would never be a good idea. It is clear that your personal ambitions and agenda were more important than your professional duty to assist the Board of Regents and UNT System in studying and considering this critically important issue.
2. You emphasized and exaggerated the number of negative possibilities to an organizational merger during internal discussions, and made unsubstantiated and premature conclusions in support of your position concerning merger. Your negative, undermining behavior was noted by UNT and System officials in almost every meeting and phone conference on the subject.
3. You made every effort to edit the proposed draft of the campus merger study into a one-sided and misleading document, and only repeated countervailing edits and the possibility of UNT filing a separate report from yours allowed any positive comments to survive in the document.

Scott B. Ransom, D.O.

December 18, 2012

Page 3 of 4

4. You criticized UNT needlessly, citing minor issues and highlighting the university's areas of greatest need, ignoring the many areas in which UNT is strong.
5. You talked about moving or changing the headquarters of a merged institution, even after Regents and the Chancellor advised you such a move would not be considered.
6. You talked about reconfiguring the System and made unsubstantiated claims about cost savings in a larger consolidation.
7. You said, in an internal conference call, that the UNT System should ignore the preferences of key state officials whose support is needed for vital UNTHSC priorities.
8. You failed to inform the Chancellor of your participation in several discussions held by various groups in Fort Worth, such as the UNTHSC Foundation Board and others, and never proactively called for the participation of any UNT officials or the Chancellor to provide additional information. After these meetings you informed us that you had been "unable to make a very good case for why we would even pursue such a merger."
9. You subverted the very purpose of a distinguished UNT Health Science Center Board of Visitors by orchestrating a meeting of selected members of this group so that it could take a formal, written position opposing any possible merger of UNT and the UNTHSC. You went so far as to purposefully exclude from the meeting invitation one Regent and the Chancellor. This meeting was arranged before the UNT System Board of Regents had its regularly called meeting, which you knew was scheduled to receive and discuss this issue. The Board of Visitors, which was authorized by the UNT System Board of Regents, was designed as a general planning support body of distinguished educators and health experts and was not intended by the Board of Regents to preempt planning processes within the System by acting on major topics prior to presentation to the Regents, and it had never previously done so. The manner in which you conducted this process directly attacked and diminished the important governance role of the Board of Regents and violated your obligation to inform and coordinate with and be responsive to the directions of the leadership of this System.
10. In your capacity as President of the Health Science Center, you solicited community support from individuals in leadership positions in the Fort Worth community to openly oppose the idea of a merger – even before the Board of Regents had an opportunity to discuss the findings of the campus merger study.

Shared Services Initiative. Several years ago, the Board of Regents established a key policy initiative of shared administrative and business services for the UNT System institutions. Although you initially opposed the establishment of shared services, upon unanimous adoption by the Board of Regents you advised the Board and the Chancellor that you would accept the decision to move forward with the shared services initiative, and you pledged to loyally and diligently support the implementation. However, you consistently disregarded and sought to undermine the implementation of shared services. By way of example:

Scott B. Ransom, D.O.

December 18, 2012

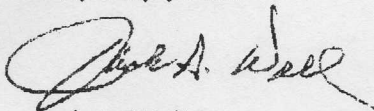
Page 4 of 4

1. You complained throughout the implementation process, and did so without meaningful performance data to support your complaints.
2. You failed to show leadership during the initiative, declined to express support to UNTHSC faculty and staff for the shared services initiative, and failed to discourage negative attitudes and discussions concerning this initiative.
3. You continued to repeat charges of inefficiency and higher cost at meetings of the Shared Services Governance group, and did not provide constructive direction for implementation of the shared services project.
4. You assigned UNTHSC staff to conduct an internal study of the UNT System Business Services Center performance and to prepare a cost and impact analysis on UNTHSC based upon selective and misleading data to support your personal agenda. You attempted to have the UNT System Office of Internal Audit validate this study without informing the Audit Committee or the Chancellor.

In summary, your conduct as set forth in this letter constitutes good cause to terminate your employment agreement as President. The Board of Regents will meet in a specially called meeting at 10:00 a.m., Friday, December 21, 2012, at UNT Health Science Center, Medical Education and Training Building, Room 111, Fort Worth, Texas, to provide you an opportunity to respond to the allegations provided in this notice. The Board may at that time take action to immediately terminate your employment agreement as President.

Effective with the receipt of this letter and until further notice, all actions in your capacity as President require the prior written approval of Chancellor Jackson or his designee. This includes, but is not limited to, sending or responding to email or other correspondence; executing contracts or other official documents; appearing at official functions; representing UNTHSC at internal and external meetings, events, and functions; taking personnel actions of any kind, such as hiring, termination, compensation or classification changes, disciplinary actions, and the like. Should you so choose, you may work from home until instructed otherwise.

Very truly yours,



Jack A. Wall
Chairman

CC: Members of the Board of Regents
Lee F. Jackson, Chancellor
Nancy S. Footer, Vice Chancellor and General Counsel
Raymond D. Cotton