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June 20, 2019

**VIA FAX**

The Honorable Paul Innes, P.J.Ch.  
Civil Courthouse  
175 South Broad Street, 3rd Floor  
Trenton, NJ 08650

Re: McMorris v. Rider University  
Docket No. MER-C-69-18

and

Princeton Theological Seminary v. Rider University  
Docket No. MER-C-18-18

Dear Judge Innes:

In your April 15, 2019 Order in the above-captioned cases concerning the proposed sale of Westminster Choir College, you noted that the Court would hold a case management conference on June 25, 2019 at 10 a.m. if the State notified the Court that there was "any issue regarding outstanding production of documents." The State hereby writes to request that the case management conference be held.

On April 11, 2019, Rider responded to a portion of the second set of questions that the State had submitted to it on March 22, 2019. Rider explained that the Buyer would respond to the remaining questions. The Buyer did so on April 15, 2019. The State subsequently submitted six additional questions directed to Rider, which Rider responded to by the Court-ordered deadline of



April 29, 2019. Nevertheless, two issues remain that warrant the Court's supervision.

First, on May 21, 2019, the State sent to Rider an additional sixteen questions that were directed to the Buyer. These questions concern Chinese corporate governance, Chinese accounting standards, and potential conflicts of interest of the Board members of the Chinese Buyer's various affiliated entities and consultants. Answers to these questions are of critical importance to the State's review of the Proposed Transaction. On June 15, 2019, the Buyer submitted responses, which included twelve pages of narrative and 137 pages of documents. The State has been analyzing these items ever since and has found them to be insufficient. Specifically, the Buyer notes that, despite repeated attempts, it has been unable to obtain conflict of interest forms from multiple consultants. Moreover, the State asked for the names of the trustees of the non-profit acquiring entity in Chinese characters and for biographical details concerning these trustees. While the Buyer provided the Chinese characters for some names, it did not do so for all. Without the Chinese characters, the State cannot do further research. Also, while the Buyer said who the trustees are not (e.g., stating that trustee Lingfen Wu did not hold any position at Kaiwen Education), the Buyer did not provide any affirmative information regarding who the trustees are. Further, some current answers to substantive questions regarding the Proposed Transaction appear inconsistent with prior responses. Finally, the Buyer has not identified the specific Chinese accounting standards that purportedly mandate that the for-profit Chinese entity submit the U.S. non-profit entity's financial statements on consolidated financial forms. This piece of information is critical to the State's review of the financial propriety of the Proposed Transaction. The State wants to provide the Buyer a full opportunity to provide missing or clarifying information and therefore is in the process of drafting additional questions. The State would welcome the Court's supervision of dates by which the Buyer's responses are due.

Second, as outlined in the State's March 27, 2019 letter to the Court, Rider has been allowing the State to view in a password-protected portal documents that Rider deems too confidential to release in hard copy. While the State has been allowed to view these documents, it has not been allowed to take notes on them, ask explicit questions concerning them, or print them out. These constraints hamper the State's review process as well as its ability to write a report. The documents in the portal go to the heart of the transaction because they concern the bidding process. Therefore, on May 8, 2019, the State sent a letter to

Rider regarding the State's need to access hard copies of approximately 750 pages of documents in the portal. To date, Rider has not released the documents or offered any suggestion as to how to proceed forward. Instead, Rider answered that its Board of Trustees needed to meet and that such a meeting would occur on or around June 19, 2019. The State has no knowledge whether such a meeting has in fact occurred. Rider further explained that, after the Board meeting, Rider's attorneys would need to consult with the Board, and then Rider could get back to the State. The State would welcome the Court's supervision of this matter because the State cannot move forward without hard copies of these documents.

Finally, the State notes that, as a courtesy, the State informed Rider on June 19, 2019 that the State would in fact be requesting the Court to hold the case management conference that the Court had scheduled for June 25, 2019. Within hours, the State received an email from Rider asking the State's consent to seek adjournment of the June 25<sup>th</sup> date because Rider's attorneys for this matter would be in Denver at a convention from June 24<sup>th</sup> through June 26<sup>th</sup>. The State is perplexed that Rider's attorneys would have planned to attend an out-of-State conference on a date that this Court set for a case management conference over two months ago. At the April 15, 2019 hearing, Rider represented to the Court that it would be available on June 25<sup>th</sup>, and in the interim did not advise the Court or the State of its change in plans. That said, the State is not a party to the Proposed Transaction and has no stake one way or the other if another delay occurs. The State therefore neither consents nor objects to Rider's requested postponement. The State respectfully asks only that, if the Court does grants the postponement, the Court seek the State's availability before setting a new date for the case management conference. The end of the fiscal year is always an extremely busy time for the Attorney General's Office.

Respectfully submitted,

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C: All Counsel of Record in McMorris and PTS (via email)