



mATCHBOOK
LEARNING

WHEN I GROW UP...

July 31, 2017

Dear Former MTA Employee:

Last Thursday, I e-mailed you to pledge that I would do everything possible to obtain the funds necessary to provide summer pay to everyone who earned it through their hard work on behalf of our students over the course of the past school year.

Only two business days have passed and, while I don't have any answers yet, I wanted to report to you on the various avenues we are pursuing.

As you know, the July State Aid payment was diverted to pay bond holders who are owed \$15 million, which they loaned MTA long before we came on the scene, to pay for school construction costs. However, the bond holders have recourse against MTA's real estate assets – they can sell the property to pay themselves back. In light of that, here's what we have proposed:

On August 21, 2017 MTA will receive its final State Aid payment for approximately \$642,000. That would be more than sufficient funds to meet all of your summer payroll (3 pay periods totaling approximately \$315,000).

I have reached out to the bondholders' legal counsel. I have urged him to advise his clients to allow that August payment to be used to pay employees money they are owed. Matchbook Learning has not been paid for over five months, but I'm not concerned about that. We will forgo the money we are owed – we simply want to get sufficient funds to pay the summer payroll.

Should the bondholders agree, we can access these funds and get you paid after August 21, 2017.

Also, I have spoken with the head of the Michigan Finance Authority (MFA), John Barton. Mr. Barton is sympathetic. MFA is responsible for intercepting the State Aid payment and transferring it according to the bondholder wishes. Mr. Barton is checking with the Michigan Attorney General to determine – if the bond holders won't help us – whether

MFA has the legal authority to override the bond holders and dedicate a portion of the August State Aid funding to summer pay for our employees.

Finally, I have spoken with members of our MTA Board and CMU, which authorized MTA's charter. The MTA Board is trying to organize an emergency meeting at which they could decide to petition the Court to appoint a Receiver for MTA. A Receiver would be an independent, impartial individual who would have authority to review and determine the disbursement of funds. If neither the bondholders nor MFA are able to help us, then we will appeal to this Receiver.

If it comes to that, it will be important for everyone's voice to be heard – and we will tell you how you can help when the time comes.

I realize how difficult it is to be in limbo, but we are working through every channel we can think of. I promised that we would not take this lying down and we are not. No one who devoted themselves to our students should have to go through something like this and I am committed to pursuing every possibility on your behalf.

Hopefully, when the people involved in this situation understand the facts – when they understand what a burden they are placing on a group of hard working, dedicated educators, they will decide to do the right thing.

Please hang in there a little longer. I will keep you posted as these things develop.

A handwritten signature in blue ink, appearing to read 'Sajan George', with a stylized flourish at the end.

Sajan George
Founder & CEO, Matchbook Learning, a non-profit corporation