

1 HOGAN LOVELLS US LLP
Stephanie Yonekura (Bar No. 187131)
2 Harmony R. Gbe (Bar No. 313241)
1999 Avenue of the Stars, Suite 1400
3 Los Angeles, California 90067
Telephone: (310) 785-4600
4 Facsimile: (310) 785-4601
stephanie.yonekura@hoganlovells.com
5 harmony.gbe@hoganlovells.com

6 N. Thomas Connally, III (*Pro Hac Vice Application*
Forthcoming)
7 8350 Broad Street, 17th Floor
Tysons, Virginia 22102
8 Telephone: (703) 610-6100
Facsimile: (703) 610-6200
9 tom.connally@hoganlovells.com

10 Attorneys for Defendants
MILLS COLLEGE, DR. ELIZABETH HILLMAN,
11 KATHLEEN SANBORN, MARIA
CAMMARATA, RENEE JADUSHLEVER, ERIC
12 ROBERTS, DR. MARILYN SCHUSTER,
ELIZABETH PARKER, OPHELIA BASGAL, and
13 DR. KAREN MAY

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **COUNTY OF ALAMEDA**

17 DR. VIJI NAKKA-CAMMAUF, *et al.*,

18 Plaintiffs,

19 v.

20 DR. ELIZABETH HILLMAN, *et al.*,

21 Defendants,

22 -and-

23 MILLS COLLEGE, a California nonprofit
24 public benefit corporation,

25 Nominal Defendant.

Case No. RG21101875

**DECLARATION OF LYN FLANIGAN IN
SUPPORT OF DEFENDANTS'
OPPOSITION TO PLAINTIFFS' EX
PARTE APPLICATION FOR
AFFIRMATIVE RELIEF, TEMPORARY
RESTRAINING ORDER AND ORDER TO
SHOW CAUSE RE: PRELIMINARY
INJUNCTION**

Filed concurrently with Declarations of Dr.
Elizabeth Hillman, Kathleen Sanborn, Eric
Roberts, and N. Thomas Connally;
Memorandum of Points and Authorities

The Hon. Stephen M. Pulido

DATE: July 26, 2021
TIME: 2:30 p.m.
DEPT.: 517

Complaint filed: June 7, 2021

1 **DECLARATION OF LYN FLANIGAN**

2 I, Lyn Flanigan, declare and state as follows:

3 1. The facts set forth herein are true of my own personal knowledge and, if called upon
4 to testify thereto, I could and would competently do so.

5 2. I submit this declaration in support of Defendants' Opposition to Plaintiffs' *Ex Parte*
6 Application for Affirmative Relief, Temporary Restraining Order and Order to Show Cause Re:
7 Preliminary Injunction, and do so in order to protect and preserve the best interests of the College.

8 3. I graduated from Mills College in 1965 with a Bachelor of Arts in Philosophy,
9 Religion, and Sociology, received a Master's degree in Asian Studies from the University of Hawaii
10 in 1968, and received a Juris Doctor from the William S. Richardson School of Law, University of
11 Hawaii in 1981.

12 4. Following a career in private practice, I served as Senior Counsel of Kamehameha
13 Schools Bishop Estate. I then served as General Counsel of Hawaiian Airlines for six years. I later
14 served as the Executive Director of the Hawaii State Bar Association for nearly seven years where,
15 among other things, I was ultimately responsible for oversight of the Association's annual budget.

16 5. I am currently a voting member of the Board of Trustees (the "Board") of Mills
17 College (the "College")—a role I have held continuously since 2012. Previously, from 2008-2011,
18 I was an Alumnae Trustee. I currently serve or have served on the following committees during
19 the fiscal years noted:

- 20 a. Academic and Student Experience Committee (2020-2021)
- 21 b. Ad-Hoc Committee on Alumnae Relations (2010-2011)
- 22 c. Advancement Committee (2013-2019)
- 23 d. Audit Committee (2013-2019; chair 2017-2019)
- 24 e. Committee on Trustees (2010-2011)
- 25 f. Enrollment and Financial Aid Committee (2017-2019)
- 26 g. Executive Compensation Committee (2014)
- 27 h. Finance Committee (2010-2011)
- 28 i. Student Life Committee (2015)

1 6. I have been aware of the financial challenges facing the College throughout the
2 entirety of my tenure on the Board, and personally have always been extremely concerned about
3 the College’s financial future. The process of developing the annual budget was and has, year-
4 over-year, been a challenge—and required regular conversations with our auditors over the
5 College’s status as a “going concern.” Each year we were compelled to drawdown 5-7% of our
6 endowment to make ends meet, and still struggled to maintain cash flow and control the operating
7 budget. As well, I recognized that the College faced significant deferred maintenance costs that
8 the College has been unable to meet. Such a path is unsustainable for the College.

9 7. In May 2017, the Board declared a financial emergency for the College in light of a
10 significant budget deficit in excess of \$9 million. Since that time, the Board has made difficult
11 decisions to keep the College afloat, including publicly declaring a financial emergency, laying off
12 tenured faculty, selling the College’s treasures and real estate, resetting tuition, freezing salaries,
13 and halting employee-benefit contributions.

14 8. I believe I had access to all information necessary to fully inform myself of these
15 decisions while they were being made; and any time I had questions, I was able to reach out to the
16 College and other Trustees—questions to which I received satisfactory answers. Moreover, with
17 the exception of Executive Committee meetings, I had the right to attend any Board committee
18 meeting and ask questions—which I exercised on several occasions. For example, in the past year,
19 I attended at least one meeting of the Resources and Sustainability Committee to ask questions
20 regarding the budget and auditor report.

21 9. Despite these efforts, the College’s structural deficit remained. On March 4, 2021,
22 after considering the financial condition and market opportunities of the College and in consultation
23 with the College’s advisors and administration, the Board determined that the College was suffering
24 from a severe financial crisis that made long-term operations in the current form unsustainable.

25 10. Given the financial crisis, the Board declared the College to remain in a state of
26 financial emergency. As a result, the Board discussed the need to develop an orderly teach-out
27 process of all of its academic programs beginning in academic year 2021-2022, with the
28 undergraduate class enrolled for that academic year to be the last first-year class enrolled at the

1 College, and a related wind-down of operations directly related to those academic programs (the
2 “Teach Out”). The Board authorized officers of the College, at the direction of President Elizabeth
3 Hillman, to develop a plan for the Teach Out.

4 11. At this March 4, 2021 meeting, the Board authorized officers of the College, at the
5 direction of President Hillman, to communicate to faculty, staff, students, prospective students, and
6 other stakeholders the nature of the College’s situation and the expectation that the College would
7 not be a degree-granting institution going forward.

8 12. At the same meeting, the Board determined a Mills Institute was to be designed to
9 advance the educational legacy and vision of the College beyond its status as a degree-granting
10 institution. The Board authorized officers of the College, at the direction of President Hillman, to
11 develop for the Board’s consideration a mission, vision, and operating plan for the Mills Institute.

12 13. I had all information necessary to vote on these decisions at the March 4, 2021
13 meeting of the Board, and was fully aware as to what I was voting on.

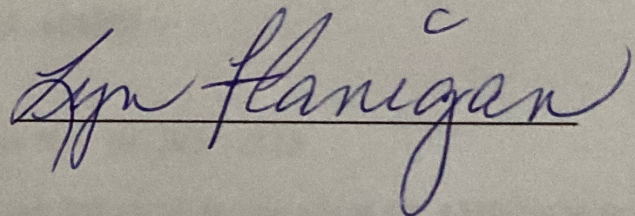
14 14. On March 17, 2021, President Hillman announced in a public letter the College’s
15 continuing financial crisis, the Teach Out, and the College’s expected transition to the Mills
16 Institute. The announcements in President Hillman’s letter were in line with what had been
17 discussed and approved at the March 4, 2021 meeting of the Board.

18 15. Following this announcement, it is my understanding that several institutions
19 approached the College to discuss potential strategic transactions. At meetings of the Board on
20 June 10 and 17, 2021, the Board was presented with, and considered, a recommendation by the
21 Executive Committee and its Subcommittee on Negotiations to pursue an expression of interest
22 received from Northeastern University. The Board also considered and discussed other
23 proposed paths for the College, including expressions of interest from other institutions and the
24 proposals from the “Save Mills College Coalition” and “UC Mills.” Further, the Board
25 scheduled a “study session” for members of the Board to further discuss the Northeastern
26 Expression of Interest and considerations relevant to proposals received by the College, and the
27 Board reviewed a draft operating budget provided by the College administration for academic
28 year 2021-2022 that showed significant and increasing operating deficits.

16. Following these considerations, the Board authorized the officers of the College, at the direction of President Hillman, to continue discussions with Northeastern University consistent with the Subcommittee's recommendation. I believe I had all information necessary to fully inform myself on these issues at the June 17, 2021 meeting.

17. I support the proposal from Northeastern University, which I anticipate will meet the College's financial needs. Based on the ample financial information I have received as a Trustee, it is clear to me that a strategic transaction with Northeastern University is in the best interest of the College and necessary to preserve and continue the College's operations and mission. I believe this view is held by the vast majority of Trustees, and I anticipate that additional information will be provided by the College, as is customary before and during Board deliberations, to support an eventual Board vote on approving a final transaction with Northeastern University.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on July 25, 2021 at Honolulu, Hawaii.

A handwritten signature in blue ink that reads "Lynn Flanigan". The signature is written in a cursive style and is positioned above a horizontal line.