



# OAKWOOD UNIVERSITY

GOD FIRST!

For Immediate Release:  
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## Statement from the Board of Trustees of Oakwood University Concerning the Legal Settlement of Oakwood University v. OUAA

The following is the statement of the Board of Trustees of Oakwood University concerning the settlement of the Oakwood University v. Oakwood University Alumni Association lawsuit. On April 29, 2021, Federal District Judge Madeline Hughes Haikala of the United States District Court for the Northern District of Alabama entered two orders disposing of the case in accordance with the agreement of the parties.

### *This is the text of the statement:*

Dear Members of the Oakwood University Community,

For 125 years, lives have been enhanced and transformed at Oakwood University, a proud member of the North American Division's family of higher education and a highly recognized fixture in the community of Historically Black Colleges and Universities (HBCUs). Our Alma Mater fosters spirituality, promotes educational excellence, a healthy life and lifestyles, and helps others meet our soon-coming Christ. This "Oakwood Experience" leads to a deep loyalty and love for Oakwood University from students and alumni. Maintaining this relationship is essential to our University and is one of the Board's main priorities. Therefore, when the family has experienced a dispute, it is painful and regrettable. But today the future of that family relationship has been secured, thanks to the resolution of the lawsuit between Oakwood University and the University's former alumni association (now known as the "Original Oaks Alumni Association").

As Trustees, we were deeply pained that it became necessary in 2018 to use legal means to protect and secure the Oakwood name and reputation. **The Board did not want this dispute or relish prosecuting this lawsuit.** The association's actions and intractability left us with no other path. Their documented conduct ultimately led the Court to issue a preliminary injunction (which become permanent) preventing the association from using the University's name or trademarks. The Court explained the reasons for the injunction in a Memorandum Opinion, which is a matter of public record (See Judge Madeline H. Haikala, Memorandum Opinion-August 14, 2020 (which we will cite hereafter as "see Haikala PI") and can be found at

<https://law.justia.com/cases/federal/district-courts/alabama/alndce/5:2018cv00870/166545/67/>).

### **Why did the University sue the former alumni association?**

Before 2018, the University and the former association had a close working relationship. The University generously allowed it to use the University's reputation, goodwill, name, logos, and related items. For its part, the former association conducted fundraising efforts, doing so in accordance with the University's guidance (see Haikala PI, 8, 12-14). In 2018, the leaders of the association decided to reject this long-standing relationship and to cease honoring requests from the Board or Administration.

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Around the same time, the University and its Board learned of circumstances involving the association that endangered the University's accreditation status and reputation (see Haikala PI, 19-22). In March of 2018, Board requests for clarity and cooperation on these issues were rejected and inexplicably characterized in writing to the Board of Trustees as "unlawful intermeddling and interference" by the University (see Haikala PI, 21). The association's leadership refused to speak with the University on the subject, directing that all communications go through their legal counsel. The University's counsel made several unsuccessful attempts to resolve some of the more pressing issues before Alumni Weekend 2018 (see Haikala PI, 21-22).

By way of example, we will mention one of the extremely serious challenges we faced. As published on the IRS website, on May 15, 2017 the IRS revoked the association's tax-exempt status. With its tax status revoked, word spread that the association planned to use a third-party organization (not known to Oakwood) to receive donations from alumni during 2018 Alumni Weekend (see Haikala PI, 21). As a result, the University made two requests. First, it asked that the association not use an entity undisclosed to the University to receive donations from University alumni (see Haikala PI, 22). Second, the University requested that the University be allowed to receive alumni donations that weekend on the association's behalf--offering to put the funds into an account designated for the exclusive use association to disburse as it wished (see Haikala PI, 22). The association's leaders ignored these requests. Instead, they chose to use a third party to receive alumni donations rather than work with the University (see Haikala PI, 22).

After Alumni Weekend 2018, on April 16, 2018 the Board deliberated on the future of how the University handles Alumni Affairs. We prayerfully decided to adopt a new paradigm in which the University takes direct responsibility for the University's relationship with its Alumni. We based our decision on a number of factors, including the fact that this direct approach (as opposed to relying on an independent, third-party organization) is considered best practice in alumni engagement today.

On April 16, 2018, the Board also took action regarding the former association. Based on their general conduct—including their insistence on total independence of accountability to our University Board--we voted to sever ties with them and, accordingly, asked that they cease causing confusion by using our name or trademarks to raise funds. Sadly, we could not win cooperation with any of our pleas to resolve the dispute amicably. They ignored our efforts to achieve an interim understanding and refused to work cooperatively. Federal District Judge Haikala observed the futility of our efforts when she concluded, "**The Alumni Association has demonstrated repeatedly that it is unwilling to compromise**" (see Haikala PI, 58). Therefore, the Board sued the association to protect the name and reputation of the University, and you, our donors. We needed to make it clear to our publics that the former association did not represent our University in its fundraising. Frankly, this dispute should have never reached the point of legal action. The Trustees find a passage in Judge Haikala's Memorandum Opinion particularly heartbreaking, because it summarizes why we were unable to amicably resolve the dispute. While addressing the former association's arguments about the inconvenience of being required to remove "Oakwood University" from their name, the Court observed: "the Alumni Association brought the inconvenience on itself; **the whole matter could have been resolved with a bit of cooperation from the Association**" (see Haikala PI, 57-58).

During the long course of this dispute, the Board has been grieved to read and see false narratives and allegations launched against the University, the Board of Trustees, and the Administration of the University. Now that the case has been resolved, we the Board of Trustees, choose to address a few of them based on the facts of this case.



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First, neither the President, his Administration nor any officer suggested, recommended, advocated, nor appealed that the Board of Trustees sever ties with the former association. Instead, the Board made its decisions by carefully considering the facts in light of the best interests of the University. Between March and April of 2018, many Trustees personally experienced the intractability of the former association's behavior. The Trustees did not need the Administration's recommendation. Contrary to one false rumor, this decision was not a "hostile takeover" launched by the President, Alumni Relations, or anyone else in University administration. We the Trustees, and we alone, acted within the full prerogatives of our legal and fiduciary authority.

Second, the outcome of this case resolves the fundamental question for the present and future: Who owns and controls the University's name and goodwill? The former association challenged the University's ownership of its name and trademarks, even disputing whether the University owns the name, "Oakwood University." The resolution of the lawsuit and the Court's Permanent Injunction means that the University, as governed by its Board of Trustees, has secured control over the University's name and trademarks. No entity can claim the marks and trademarks of the University apart from the University's permission.

It also means that any unauthorized entity, such as the former association (or any affiliated chapter), may not use the University's name or trademarks. An unauthorized, independent group may not claim to represent Oakwood in its fundraising. Nor can any group mislead or confuse our community or the general public about whether they are endorsed by or collecting funds for the University.

In reinforcing this message, Judge Haikala's order requires the association and its affiliates to display the following disclaimer on all its fundraising:

**The Original Oaks Alumni Association is an independent organization that is not affiliated with and does not represent Oakwood University. OOAA does not raise funds for Oakwood University.**

You are now entitled to know that any funds you donate to the Original Oaks (or any other unauthorized entity) will not go to the University or its capital campaigns. Any such donation will be going to an organization that is not connected to and does not represent Oakwood University.

## **The accreditor's requirement for its institutions to control their fundraising**

Why is the Administration and Board so concerned about who has ultimate control over fundraising in the name of the University? Oakwood University is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) and must comply with its requirements and standards. SACSCOC standard 5.3 requires the University to maintain oversight of fundraising activities that benefit the institution. This rationale was amply explained to the court by SACSCOC in its communication to the court (see Haikala PI, 8-10). The resolution of this case reaffirms such fundraising oversight and compliance are linked with our accreditation standards.

## **Where are we going--Alumni Relations Turns to the Future**

Oakwood University's future is enriched because of its continuing relationship with its students and alumni. These strands are intertwined. Without one, the other cannot thrive. Their connection is strong and long-lasting. Students are just starting to develop that connection, while



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Building on our rich history and traditions, Oakwood University has a strong foundation for the future. Now that our new paradigm has fully aligned Alumni programming and fundraising with the university's mission and values, Oakwood University is poised to enhance the relationship between the Alumni and the school. We are happy to share the fact that since adopting the new paradigm in 2018, donations to the University increased by 132% within the first year after the termination. And since 2018, the number of alumni donors giving directly to the University has increased each year, along with accompanying increases in the amount of their giving, even during the pandemic. The goal we set for our endowment in 2011 (when our endowment was at 8 million dollars) was to reach 20 million. By January of 2020 that goal of "20 by 20" was reached. And to date, our endowment sits at almost 25 million dollars! To God be the glory! And we will prayerfully persevere in the strengthening of our institution.

Oakwood University is moving forward! We invite all Alumni, whether in groups or individually, to join us in our commitment to serving future generations. We are asking for your support. We want you to connect more directly and more intimately with your Alma Mater! We ask you to embrace our new direction with open arms. We invite you to visit our [Oakwood University webpage](#), our [Facebook page](#), or [YouTube](#) channel to see for yourselves some of the exciting advances taking place. Mrs. Cheri Wilson, Executive Director of Oakwood University's Office of Advancement and Development, and Emile Parker, Director of the Alumni Affairs Office, are here to serve you. Please contact them at (256) 726-7201. In addition, the new [Oakwood University Alumni Council](#) welcomes you and invites you to join us. Many of you have already done so, and can attest that every dollar of your donation is accounted for and used for your intended purpose.

We, the Board of Trustees of Oakwood University, remain committed to you, our University, its Administration, and to every member of our OU community. Please let us know if you have any ideas, thoughts, or questions by contacting the Office of Advancement and Development at (256) 726-7201.

**Signed, The Oakwood University Board of Trustees, April 28, 2021**

*Editor's Note: If you need further information, please contact Kevin Lampe at (312) 617-7280 or [kevin@kurthlampe.com](mailto:kevin@kurthlampe.com).*