

§6 Determination

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STATE ETHICS COMMISSION

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**DISCLOSURE BY NON-ELECTED STATE EMPLOYEE OF FINANCIAL INTEREST
AND DETERMINATION BY APPOINTING AUTHORITY
AS REQUIRED BY G. L. c. 268A, § 6**

STATE EMPLOYEE INFORMATION	
Name:	Nnenna UDe
Title or Position:	Executive Director ("ED") of Match Charter Public School (the "School")
State Agency:	Match Charter Public School
Agency Address:	215 Forest Hills Street Jamaica Plain, MA 02130
Office Phone:	(617) 232-0300
Office E-mail:	N/A
	My duties in running the School require me to participate in a particular matter in other entities, and I may not participate because of a financial interest that I am disclosing here. I request a determination from my appointing authority about how I should proceed.
PARTICULAR MATTER	
Particular matter E.g., a judicial or other proceeding, application, submission, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, decision, determination, or finding.	Please describe the particular matter. The Board of Trustees of the School has required that I serve as unpaid President and Chief Executive Officer of The Match Foundation, Inc. (the "Foundation") and The Charles Sposato Graduate School of Education, Inc. ("Sposato"), as part of my duties as the Executive Director of the School. In connection with the foregoing, I expect the following particular matters will come before me in my role as ED: A. Particular Matters involving the Foundation 1. <u>School Facilities</u> : The Foundation may acquire, own, manage, and transfer facilities for the benefit of School. The Foundation may transfer property and enter into leases and subleases with the School or other related entities that support the School, in connection with property developed or to be developed for use by the School. In particular: <ul style="list-style-type: none">The Foundation owns property with an address of 36 Poydras Street, 6 Tchapitoulas Street and an unnumbered lot on Tchapitoulas Street (with new addresses at 50, 100 and 110 Poydras Street) in Boston (the "Poydras Property"), which it leases to the School.Further, the Foundation owns the property located at 1001 Commonwealth Avenue, Boston, Massachusetts (the "Commonwealth Property") which it leases to the School. 2. <u>Financing of School Facilities</u> : The Foundation participates in financing (and refinancing) arrangements to provide facilities for the School. In connection with the financing (or refinancing) of the acquisition, development, improvement, restoration, repair and/or maintenance of School facilities, the Foundation may enter into loan documents (including without limitation, loan agreements, notes, assignments of leases and rents, guaranties, mortgages, subordinations, affidavits, pledges, assignments, certificates, indemnifications, and other agreements and documents related to the financing). The loan documents may include the School as a party. In particular: <ul style="list-style-type: none">In 2011, the Foundation and the School engaged in a refinancing of certain debt related to the Commonwealth Property and in the financing of the

acquisition and development of a property located at 215 Forest Hills Street, Boston, Massachusetts (the "Forest Hills Property") to make it suitable for use as a middle school. As discussed above, the Commonwealth Property is owned by the Foundation and leased to the School, and the Forest Hills Property is owned by the School. In order to finance the foregoing (i) the School issued an approximately \$13,330,150 Qualified Zone Academy Bond, MATCH School Issue, Series 2011A to the Foundation, as bondholder and as guarantor, (ii) the School issued an approximately \$7,503,900 Revenue Bond, MATCH School Issue, Series 2011B and an approximately \$3,772,000 Forward Delivery Revenue Bond, MATCH School Issue, Series 2012C, to Boston Private Bank and Trust Company ("BPBTC") as bondholder, and the Foundation guaranteed the School's obligations in connection with the foregoing, (iii) the Foundation borrowed approximately \$4,396,100 from BPBTC, and the School guaranteed the Foundation's obligations in connection with the foregoing, and (iv) the Foundation entered into that certain Investment Contract (and Pledge, Assignment and Security Agreement) and that certain Guaranty and Security Agreement, with Charter School Financing Partnership, LLC (collectively, the "2011 Financing").

- In 2016, the Foundation and the School engaged in a financing to fund certain renovations to the Commonwealth Property.
- In addition, the Foundation financed the acquisition of the Poydras Property by engaging in a financing transaction involving the issuance by MassDevelopment of \$4,000,000 Massachusetts Development Finance Agency Revenue Bonds, MATCH School Foundation Issue, Series 2014A and up to \$18,000,000 Massachusetts Development Finance Agency Revenue Bonds, MATCH School Foundation Issue, Series 2014B, which bonds were purchased by BPBTC and the proceeds loaned to the Foundation for purposes of financing the acquisition of the Poydras Property. The School is guaranteed the obligations of the Foundation in connection with this financing. In connection with this transaction, the Foundation and the School entered into a Loan and Security Agreement with MassDevelopment and BPBTC, and other loan documents, including without limitation a bond purchase agreement, a mortgage, a disbursement agreement, a guaranty and other related documents, agreements, certificates and indemnities.
- In connection with the foregoing Financings, the School and the Foundation entered into loan documents (including without limitation, loan agreements, bond purchase agreements, bonds, guarantees, notes, assignments of leases and rents, mortgages, subordinations, affidavits, pledges, assignments, certificates, indemnifications, and other agreements and documents related to the Financings).

3. Donations to School: The Foundation may make donations to the School and may provide services to the School. In particular, the Foundation donates back office support to the School. The Foundation may hold fundraisers for the benefit of the School.
4. Dissemination of School Programs: The Foundation is also a dissemination arm for the School, implementing the School's unique tutoring program in traditional public school settings and nationwide, and launching teacher training courses using the teacher training model in practice at the School. The Foundation runs the executive education programs, such as the MOOC (Massive Open Online Course), which is a free, online, interactive lecture series. The Foundation is also engaged in publishing materials that relate to best practices and training models.
5. Payment for Administrative Services: The Foundation pays an administrative fee for services provided by the School to the Foundation but there is no contract between the Foundation and the School for the provision of services.
6. Services of School Employees: Several of the School's employees provide services to the Foundation, as part of their official duties to the School.

B. Particular Matters involving Sposato

1. Sposato Students drawn from School Program: Students at Sposato are drawn from participants in the Match Teacher Residency ("MTR") program, a teacher training

	<p>program operated by the School. Sposato and the School jointly interview and recruit participants in the MTR program.</p> <ol style="list-style-type: none"> 2. <u>Donations to the School</u>: Sposato donates services to the Match Teacher Residency program operated by the School and may make cash donations to the School in the future. Currently, graduate students in Sposato's program serve as student-teachers in the School's classrooms. 3. <u>Payment for School Services</u>: Sposato pays an administrative fee to the School for services provided by the School to Sposato. 4. <u>Services of School Employees</u>: Several of the School's employees provide teaching and other services to Sposato, as part of their official duties to the School.
<p>Your required participation in the particular matter:</p> <p>E.g., approval, disapproval, decision, recommendation, rendering advice, investigation, other.</p>	<p>Please describe the task you are required to perform with respect to the particular matter.</p> <p>The Board of Trustees of the School requires that I serve as CEO and President of the Foundation and Sposato. I will be compensated by the School, and not by the Foundation or Sposato for these activities. I do not have an interest in contracts between the School and the Foundation. The Board of Trustees has required my oversight of the foregoing entities to help to insure that the Foundation and Sposato continue to provide effective support to the School.</p> <p>In particular, I may be required to take the following actions, as ED of the School, in connection with the particular matters disclosed above:</p> <ol style="list-style-type: none"> A. Particular Matters involving the Foundation <ol style="list-style-type: none"> 1. <u>School Facilities</u>: I may be required to oversee the process of locating, acquiring, managing and transferring facilities for the benefit of the School. I may be asked to negotiate and sign agreements and documents, including without limitation, purchase and sale agreements, agreements with brokers, offer letters, leases, and deeds. <ul style="list-style-type: none"> • In particular, I will be responsible for ensuring compliance with the lease of the Poydras Property and the lease of the Commonwealth Property. 2. <u>Construction of New Facilities</u>: I may be required to provide high level oversight of the construction, improvement, development, restoration, repair, replacement and maintenance of School facilities. I may be required to negotiate, sign and oversee the performance of agreements with architects, project managers, general contractors and other consultants and professionals, in connection with School facilities. 3. <u>Financing of School Facilities</u>: I may be required to oversee the evaluation and negotiation of various financing (and refinancing) arrangements. I may be required to evaluate, negotiate and execute loan documents in connection with such financings or refinancing. I may be required to oversee compliance with the terms of such loan documents, including without limitation, the development and implementation of policies and procedures to monitor and ensure compliance. In particular, I am responsible for overseeing the Foundation's and the School's compliance with the loan documents related to the Financings. 4. <u>Donations to School</u>: I may be required to oversee the provision of services (such as back office support) from the Foundation to the School. I may be required to approve the acceptance of donations of cash and/or services from the Foundation to the School. I may be required to participate in and to facilitate fundraisers held by the Foundation for the benefit of the School. 5. <u>Dissemination of School Programs</u>: I may be required to oversee the Foundation's implementation of the School's tutoring program and of teacher training courses using the teacher training model in practice at the School. I may be required to work with the Foundation in connection with dissemination of the School's practices, including without limitation through its publishing activities and its training programs. I may be required to negotiate and execute agreements with the Foundation regarding the use of intellectual property. 6. <u>Payment for Administrative Services</u>: I may be required to negotiate the amount of the administrative fee that the Foundation pays the School. I may oversee the School's provision of services to the Foundation. I may, in the future, be asked to negotiate, enter into and oversee a contract between the Foundation and the School regarding the provision of services by the School.

	<p>7. <u>Services of School Employees</u>: I may be required to establish job descriptions for the School's employees that could include the provision of services to the Foundation, and I oversee those employees' performance of their job duties (including review of their performance and approval of their compensation).</p> <p>B. Particular Matters involving Sposato</p> <p>1. <u>Sposato Students drawn from School Program</u>: I may be required to provide oversight of the MTR program, including without limitation the admissions process and the role of MTR in the School. In addition, I may oversee the hiring of teachers at the School, and some of these teachers may be graduates of Sposato, and I may oversee the hiring and recruitment of participants in the MTR program.</p> <p>2. <u>Donations to the School</u>: I may be required to oversee the provision of services (such as the deployment of Sposato students as student teachers in School classrooms) from Sposato to the School. I may be required to approve the acceptance of donations of cash and/or services from Sposato to the School.</p> <p>3. <u>Payment for School Services</u>: I may be required to negotiate the amount of the administrative fee that Sposato pays the School. I may oversee the School's provision of services to Sposato. I may, in the future, be asked to negotiate, enter into and oversee a contract between Sposato and the School regarding the provision of services by the School.</p> <p>4. <u>Services of School Employees</u>: I may be required to establish job descriptions for the School's employees that could include the provision of services to Sposato, and I oversee those employees' performance of their job duties (including review of their performance and approval of their compensation).</p> <p>5. <u>Dissemination of School Programs</u>: I may be required to oversee Sposato's graduate school program, which program is derived from the models and best practices developed at the School. I may be required to work with Sposato in connection with dissemination of the School's practices. I may be required to negotiate and execute agreements with Sposato regarding the use of intellectual property.</p>
	FINANCIAL INTEREST IN THE PARTICULAR MATTER
<p>Write an X by all that apply.</p>	<p><input type="checkbox"/> I have a financial interest in the matter.</p> <p><input type="checkbox"/> My immediate family member has a financial interest in the matter.</p> <p><input type="checkbox"/> My business partner has a financial interest in the matter.</p> <p><input checked="" type="checkbox"/> I am an officer, director, trustee, partner or employee of a business organization, and the business organization has a financial interest in the matter.</p> <p><input type="checkbox"/> I am negotiating or have made an arrangement concerning future employment with a person or organization, and the person or organization has a financial interest in the matter.</p>

Financial interest
in the matter

Please explain the financial interest and include a dollar amount if you know it.

The following describes the financial interest of each of the non-profits and the School in the particular matters disclosed above:

A. The Foundation:

1. School Facilities:

- The Foundation acquired the Poydras Property for \$1,250,000 in 2014. As discussed, the Poydras Property has been leased to the School with rent set on a non-commercial basis equal to the carrying costs of the Poydras Property).
- The Foundation acquired the Commonwealth Property in 2001 for \$4,258,100. The property was subsequently developed for use as a school and leased to the School on non-commercial terms for 99 years. The rent paid by the School is \$1.00 per year plus payments paid prior to the date hereof in the total amount of \$8,806,000. The School pays costs and expenses related to the use, occupancy, operation, maintenance and repair of, and maintenance of insurance on, the Commonwealth Property.

2. Financing of School Facilities:

- As discussed above, in 2011, the Foundation and the School engaged in a refinancing of certain debt related to the Commonwealth Property and in the financing of the acquisition and development of the Forest Hills Property. As discussed above, (i) the School issued an approximately \$12,862,425 Qualified Zone Academy Bond, MATCH School Issue, Series 2011A to the Foundation, as bondholder, (ii) the School issued an approximately \$7,503,900 Revenue Bond, MATCH School Issue, Series 2011B and an approximately \$3,772,000 Forward Delivery Revenue Bond, MATCH School Issue, Series 2012C, to BPBTC as bondholder, and the Foundation guaranteed the School's obligations in connection with the foregoing, (iii) the Foundation borrowed approximately \$4,396,100 from BPBTC, and the School guaranteed the Foundation's obligations in connection with the foregoing, and (iv) the Foundation entered into that certain Investment Contract (and Pledge, Assignment and Security Agreement) and that certain Guaranty and Security Agreement, with Charter School Financing Partnership, LLC.
- In order to finance the acquisition of the Poydras Property, the Foundation and the School engaged in a financing transaction that involved: \$4,000,000 Massachusetts Development Finance Agency Revenue Bonds, MATCH School Foundation Issue, Series 2014A and \$18,000,000 Massachusetts Development Finance Agency Revenue Bonds, MATCH School Foundation Issue, Series 2014B. The Foundation was the borrower of the proceeds of this financing, and the School guaranteed the obligations of the Foundation.
- In 2016, the Foundation and the School engaged in a financing to fund a certain renovation to the Commonwealth Property, involving the issuance of a \$2,337,000 Qualified Zone Academy Bond.

3. Donations to School:


- The value of back-office services donated to the School by the Foundation is not ascertainable.
- The amount donated by the Foundation to the School varies.

4. Dissemination of School Programs: The School is obligated under the terms of its charter and M.G.L. Chapter 71, §89 (b) and (e)(xvi) to disseminate its successes and innovations to other public schools. As a result, the School has a financial interest in the dissemination of these practices. The Foundation has a financial interest in performing dissemination services for the School, as its charitable purpose includes providing support to the School.

5. Payment for Administrative Services: The administrative service fees paid by the Foundation to the School in fiscal year 2018 is expected to total \$50,853.

B. Sposato

1. Sposato Students Drawn from School Program: The School has a financial interest in Sposato's program, as Sposato donates the services of its students to the School by providing student-teachers in classrooms and the participants in Sposato's program

	<p>are drawn from the MTR program.</p> <p>2. <u>Donations to the School:</u></p> <ul style="list-style-type: none"> • The value of services (such as student teacher services) donated to the School by the Foundation is not ascertainable. • Sposato does not expect to make cash donations to the School in fiscal year 2018. <p>3. <u>Payment for School Services:</u> The administrative service fees paid by Sposato to the School in fiscal year 2018 is expected to total \$116,088.</p> <p>4. <u>Dissemination of School Programs:</u> The School is obligated under the terms of its charter and M.G.L. Chapter 71, §89 (b) and (e)(xvi) to disseminate its successes and innovations to other public schools. As a result, the School has a financial interest in the dissemination of these practices, but the value is not ascertainable. Sposato has a financial interest in ensuring that its students have access to best practices and innovations.</p>
Employee signature:	
Date:	June 2, 2018

DETERMINATION BY APPOINTING OFFICIAL

APPOINTING AUTHORITY INFORMATION	
Name of Appointing Authority:	Board of Trustees of Match Charter Public School (the "School")
Title or Position:	N/A
Agency/Department:	Match Charter Public School
Agency Address:	215 Forest Hills Street Jamaica Plain, MA 02130
Office Phone:	(617) 232-0300
Office E-mail	N/A
DETERMINATION	
Determination by appointing authority: Write an X by your selection.	As appointing official, as required by G.L. c. 268A, § 6, I have reviewed the particular matter and the financial interest identified above by a state employee. <input type="checkbox"/> I am assigning the particular matter to another employee, or <input type="checkbox"/> I am assuming responsibility for the particular matter, or <input checked="" type="checkbox"/> I have determined that the financial interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commonwealth may expect from the employee.
Appointing Authority signature:	Board of Trustees of Match Charter Public School By: <u>May K. Welch</u> Chair of the Board of Trustees of Match Charter Public School, duly authorized
Date:	June 10, 2018
Comment:	

Attach additional pages if necessary.

File copy with:

State Ethics Commission, One Ashburton Place, Room 619, Boston, MA 02108

Form Revised February, 2012

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