

## June 13, 2022 Gray vs. Mutual 9 Corporation court case ruling

The court orders the entire action **dismissed** without prejudice due to the lack of jurisdiction. Plaintiff's (Mr. Gray) request for injunctive relief ordering a special meeting of Defendant's shareholders is outside the jurisdiction of the small claims court.

The mutual Board accommodated Mr. Gray's petition;

- The board sent the petition to mutual attorney for their advice
  - The petition was not for a lawful purpose
- The board requested mutual attorney to attend the Board Meeting.
- The board sent out notices to all shareholders for a town hall meeting on shareholders' voting rights
  - Only 3 shareholders who signed the petition attended
  - Only 3 shareholders voted to amend the bylaws with a straw vote
- The board invited mutual attorney to attend the town hall to explain and answer questions
- The board unanimously voted not to hold a special meeting for a vote
- The board unanimously voted not to amend the bylaws

What is a special meeting: Held for a specific purpose to vote on a matter presented to the membership. In this case the meeting would be called for all shareholders to vote on amending the bylaws.

Amending the bylaws: The Board has the fiduciary duty and responsibility to amend the bylaws. Once the board amends the bylaws, it is put to the shareholders for a vote.

These lawsuits served are to Mutual 9 Corporation it is not to the board.

Unfortunately, these petitions and lawsuits served to the mutual will cost all the shareholder's attorney fees. The Board has no choice but to engage the attorney so the mutual is protected.

Mutual 9 Board