During the Board's conversation with the RFP, Mark Noss has insisted that part of his management fee has been used to cover a loan our previous management company obtained and states it is an obligation of GTA. This ~~was~~ IS BEING addressed with our legal counsel and I asked them to prepare a statement I could read regarding this matter.

Grand Traverse Academy (GTA) has learned that in 2007, Dr. Steven Ingersoll obtained a loan from Traverse City State Bank for approximately one million dollars. What Dr. Ingersoll did with those moneys is unknown. According to GTA's records the Ingersoll loan was never deposited in GTA's account. GTA did not sign any loan documents nor was the Ingersoll loan reflected as a liability on GTA's financial statements. Likewise, the Bank has not asserted that GTA is liable on the Ingersoll loan.

After the termination of Ingersoll's contract, Dr. Mark Noss and/or Full Spectrum Management (FSM) voluntarily assumed the obligation to repay the Ingersoll loan. GTA does not know and was not advised of the private understanding between Ingersoll and Noss concerning this loan. Thus, Noss became liable on the Ingersoll loan to the Bank. GTA's records do not reflect Noss' s assumption of the Ingersoll loan. Nor did GTA sign any loan documents when Noss assumed the Ingersoll loan.

In short, the Ingersoll loan is just that—a loan to Ingersoll and not GTA. So Noss's assumption of that loan is a private financial arrangement between Ingersoll, Noss and the Bank, and not a GTA recognized obligation.

We trust this clarifies any confusion on the matter.