

*Michael E. Gallagher*

June 6, 2020

Board of Directors  
Bel-Air Country Club  
[REDACTED]

Gentlemen:

On June 1<sup>st</sup> the membership was notified of the disposition of the “Varsity Blues” matter wherein two members of the Club have plead guilty to felony charges. “The Board has unanimously voted effective immediately to suspend both Members involved in their personal legal challenges *until* [emphasis added] they have completed their obligations to the government.”

The above statement is misleading. What it does not clearly state is that the memberships of these felons continue essentially unabated. Suspension implies that a member otherwise capable of using the Club is prohibited from access for a period of time as punishment for a serious infraction. However, these individuals will be incarcerated for most, if not all, of the suspension period and will continue as members in “good standing” when released.

This unprecedented board decision to allow felons to continue as members causes irreparable reputational harm to the Club and its members. Will we any longer be able to deny membership to convicted felons sponsored for membership? If the denial is based on the candidate’s felony conviction the answer would now appear to be no. Will the Club now be perceived as one that welcomes felons? Undeniably, the answer to that question is now yes.

Let me point out the obvious. BACC is a Club of gentlemen and gentlewomen. Gentlemen are not felons, and felons in turn are not gentlemen. You cannot be a member in good standing and guilty of a felony at the same time, it is a non sequitur. Referring to felons as gentlemen in good standing is nothing more than an attempt to legitimize their continued membership. That “this situation” resulted from “their actions outside the Club” can only be considered a failed attempt at misdirection as it is completely irrelevant. These felony guilty pleas are of their own making and reputational harm comes from their continued “membership” affiliation with the Club. Suspending membership, while the offender is imprisoned, is an illusory penalty and does nothing to address the reputational damage brought on by their continued membership.

The board action, taken on behalf of the Club’s membership, now establishes our Club as a place of refuge and comfort for known felons – reputational harm be damned. There is no fiduciary

duty which justifies harm such as this to the membership. The fiduciary duty of the board requires instead it shield the Club by expulsion of the offending parties.

Clearly the board has concluded that the commission of a felony does not bar an individual from membership. Further, it appears that the board has concluded that harboring felons does not besmirch the reputation of the Club or its members. I wholeheartedly disagree. This matter is already well known in the golfing world, domestically and internationally, and our Club has become a laughingstock.

Let me also address a couple of rumors I have heard. Some members apparently believe the board to be fatally conflicted in making this decision. That a less favored member would have been expelled without question. I cannot believe the board would sacrifice its integrity by allowing any conflicted board member to participate in discussions or voting on such an important matter. Yet, it seems, board members who would appear beholden to the parties in question did participate in this decision.

In addition, I have heard that some members believe the board has substituted its judgement for that of the law and the courts in determining whether felony crime is serious. That white collar crime does not count. This surely cannot be the case. The board could not be so unwise as to put itself in the position of judging felonies on a subjective scale, deeming some acceptable and others not. It is, after all, well accepted that a felony is a serious crime, and in this case a crime punishable by up to 20 years in prison. Have we now been put into a position where we would entertain evaluating the qualifications of the likes of Bernie Madoff, and Bruce McNall.

As a 25-year member in good standing, and a gentleman by act of Congress, I choose not to be associate with known felons. This board decision, however, forces acceptance of felons upon the membership - grata catalla felonum. I believe that to be an abrogation of the board's fiduciary duty. I also believe it puts to waste the reputation of our 100-year-old institution. Further, it is my judgement that integrity provisions in today's employment contracts would inhibit corporate officers from joining clubs known to harbor felons. The board's action in this matter has destroyed the Club's reputation and put its future in serious jeopardy.

I have been informed that the board is not willing to set aside this decision and take the cleansing action so desperately needed, namely terminating the memberships of the offending parties. That being the case, I am sadly left no choice but to hereby resign from the club I have long loved.

Regretfully,

Michael E. Gallagher, Past President

cc: Past Presidents Committee