

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Iowa State University 1993 Trust Agreement, Change of Trustees  
**Date:** September 5, 2000

**Recommended Actions:**

1. Appointment Dr. Richard C. Seagrave as Trustee of the Iowa State University 1993 Trust with the corresponding removal of Dr. Martin C. Jischke as Trustee of the Iowa State University 1993 Trust;
2. Establish a policy regarding the removal and appointment of the Trustee of the Iowa State University 1993 Trust.

**Executive Summary:**

Martin C. Jischke, past president of the University, has served as the only Trustee of the Iowa State University 1993 Trust (Trust). As Dr. Jischke has left the presidency of the University, the University would like to remove him as the sole Trustee of the Trust and appoint Interim University President Richard C. Seagrave in his place.

In order to ensure that future transitions in the Trustee position occur with a change in the presidency of the University, the University proposes a policy statement to make the Trustee change automatically with the resignation of one president and the appointment of another, unless the Board acts to prevent a new president from serving as Trustee.

**Background and Analysis:**

In September 1992, the Board first considered and authorized a trust to receive the funds from the sale of WOI-TV. Because of litigation involved with the sale, the trust was not formally approved by the Board until February of 1994. The Iowa State University 1993 Trust (Trust) came into being when the Iowa State University Trust Agreement (Agreement) was executed on March 1, 1994. The Agreement provides for a single Trustee, appointed by the Board of Regents. The Board also has the authority to remove the Trustee at any

time for any reason and to appoint another Trustee. Martin C. Jischke has served as the only Trustee since the inception of the Trust.

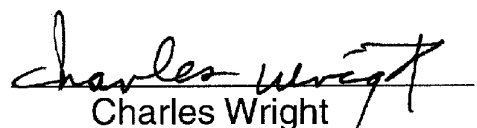
Because of the change in the presidency of the University, the University recommends that the Board remove Martin C. Jischke as Trustee and appoint Interim President Richard C. Seagrave as the Trustee.

The University finds some ambiguity between the initial paragraph of the Agreement which establishes the Trust and names one of the parties as " ... THE PRESIDENT OF IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY (the 'Trustee')," and subsequent language of the Agreement at paragraph 7 which makes no mention of the successor Trustee being the president of the University. To assure an effective and efficient transfer of the duties of the Trustee in the future, the University recommends that the Board adopt the following standing policy with respect to succession of Trustees of the Trust:

Any President or Interim President who leaves the office of the President of the University is removed as Trustee upon leaving office, and the then-current President or Interim President of Iowa State University shall be the Trustee of the Iowa State University 1993 Trust, unless action is taken by the Board of Regents to appoint another person as Trustee. Nothing herein shall be construed to affect the authority of the Board otherwise to remove any Trustee, including any sitting President who becomes Trustee by operation of this policy, and to appoint another person. The Board delegates to its Executive Director the authority to take any action necessary to implement this policy.

The Trust received \$12.7-million from the sale of WOI-TV on March 1, 1994. The audit of June 30, 2000 reported the assets of the Trust as \$18,928,709.71. The Trust was established to devote and to apply its property and income exclusively for scientific, literary, or educational purposes.

The Board Office recommends approval of the recommended action.

  
Charles Wright

Approved:   
Frank J. Stork