

STATE OF MINNESOTA  
COUNTY OF CARVER

DISTRICT COURT  
FIRST JUDICIAL DISTRICT  
CASE TYPE: OTHER CIVIL

Craig Liechty and Michael Fisher, )  
 )  
 Plaintiffs, )  
 )  
 v. )  
 )  
 Keith Anderson and Audi Car Club of )  
 North America, Inc., )  
 )  
 Defendants. )

Court File No. \_\_\_\_\_

**AFFIDAVIT OF CRAIG LIECHTY**

STATE OF OHIO )  
 ) ss  
COUNTY OF GEAUGA )

Craig Liechty, being duly sworn, states:

1. I am a lifetime member and current director and officer in the Audi Car Club of North America, Inc. ("Audi Club").

2. This Affidavit is submitted in support of Plaintiffs' Motion for Preliminary Injunction and sets forth material facts based on personal knowledge or documentary evidence which I believe are not subject to dispute.

3. The Audi Club is a Minnesota non-profit corporation formed under the provisions of the Minnesota Non-Profit Corporation Act, Minnesota Statutes Chapter 317A. Attached as Exhibit 1 is a true and correct copy of the Audi Club's Articles of Incorporation.

4. My involvement in the Audi Club began in the early 1990's and I am proud to say that I am Member Number 640 in a club that has now grown to nearly 10,000 members. It is

believed that the Audi Club is the largest organization of Audi car enthusiasts in the world. The mission of the Audi Club is to enhance the Audi ownership experience for our members by teaching driver safety and education, providing technical service and product information to its members, and promoting camaraderie through regional and national activities and events.

5. I am an active member of the Ohio Valley Chapter of the Audi Club and have voluntarily devoted substantial time and resources to the success and well-being of the Club. In national elections of the Audi Club members, I was elected on several occasions to serve on the Audi Club Board of Directors. By election of the Board of Directors, I have also held a number of officer positions, including Treasurer, Secretary, President, and Chairman of the Board.

**I Was Elected By The Members Of The Audi Club To Serve  
A Three-Year Term On The Audi Club Board Of Directors**

6. In 2004, in accordance with the Audi Club's Bylaws, the voting members of the Audi Club elected me to a three-year term on the Board of Directors running from 2005 through 2007.

7. In 2006, in accordance with the Audi Club's Bylaws, I was nominated and elected by the Board of Directors to serve as Chairman of the Board which also made me a member of the Club's executive committee.

8. Attached as Exhibit 2 is a true and correct copy of the Audi Club Bylaws in effect at the time Michael Fisher and I were elected to the Audi Club Board of Directors. These Bylaws stated the following regarding the number, method of election, and term of the Board of Directors of the Audi Club:

**ARTICLE V. Directors**

5.1. Number and Method of Election. The Board of Directors of this Club shall consist of at least three but not more than nine persons. The members may, by an affirmative change in the bylaws, increase the number of the Board of Directors to more than nine; however, the total

number of Directors shall be evenly divisible by three. The Directors of this organization shall be elected by eligible voting members.

5.2. Term. Each director of this organization shall be elected to serve a term of not more than two consecutive three-year terms. A director shall hold office for the term for which he or she was elected until the end of the meeting at which his or her successor has been elected. Any vacancies occurring in the Board of Directors shall be filled by a vote of the majority of the directors then in office.

See Exhibit 2, p. 2.

9. Those same Bylaws state the following regarding the management of the Audi Club:

5.4. Management of Affairs of Organization. The property, affairs, activities, and concerns of the organization shall be managed by the Board of Directors, which, without limiting the scope of the foregoing, shall have the power to appoint the officers of the Club, to appoint and direct agents, to grant general or limited authority to officers, employees and agents of the Club, to make, execute and deliver contracts and other instruments and documents in the name of and on behalf of the Club. In addition, the Board of Directors may exercise all the powers of the Club and do all lawful acts and things which are not reserved to the members, by law, or the bylaws of the Club. The Board of Directors shall interpret the bylaws.

See Exhibit 2, pp. 2-3.

**After My Election To The Board Of Directors,  
Defendant Anderson Proposed A Bylaw Amendment  
Regarding The Terms Of The Elected Directors**

10. In the fall of 2006, defendant Anderson proposed an amendment to Article V, Directors, 5.2, Term, of the Audi Club Bylaws, stating:

**PROPOSAL 3**

**ARTICLE V. Directors.**

**5.2 Term**

**Amendment to the following Article V, 5.2. Term is proposed:**

Each director of this organization shall be elected to serve a term of not more than two consecutive three-year terms. A director shall hold office for the term for which he or she was elected until the end of the meeting at which his or her successor has been elected. Any vacancies occurring in

the Board of Directors shall be filled by a vote of the majority of the directors then in office. Members may not serve on the Board of Directors as an Officer or Director in an appointed or elected capacity for more than nine consecutive years. The member that served nine consecutive years as a director or officer may then elect to run for a position after a one year absence from the Board of Directors.

*See Exhibit 3, a true and correct copy of the proposed bylaw amendment, at p. 1.*

11. In information provided to the Audi Club members, the stated reason for defendant Anderson's proposed amendment to the directors' term was as follows:

**Reason for proposed amendment:**

This amendment allows the club to grow and expand under new leadership. It also gives the membership opportunities to become involved in the organization in a leadership capacity, bringing new skills and fresh ideas to grow the club.

*See Exhibit 3, p. 2.*

12. The Audi Club Board of Directors did not by majority vote at a regular Board of Director meeting with a legal quorum present decide to submit defendant Anderson's proposed bylaw amendment regarding the directors' term to the Audi Club members for a majority vote.

13. At an Audi Club Chapter Representatives Conference Call on October 30, 2006, defendant Anderson stated that the proposed bylaw amendment to the directors' term is not an attempt to force Liechty and Fisher from the Board of Directors. The prepared and distributed Notes from the October 30, 2006, Chapter Communications Teleconference state that "Affected board members are NOT kicked off immediately, will serve out the remainder of their term." *See Exhibit 4, p. 2.*

14. Consistent with defendant Anderson's public statements and representations to the Audi Club members, and the distributed Notes from the October 30, 2006, Chapter Communications Teleconference, the proposed bylaw amendment to Article V, Directors, 5.2.

Term, provides that "[a] director shall hold office for the term for which he or she was elected until the end of the meeting at which his or her successor has been elected." *See* Exhibit 3, p. 1.

15. As a corporation organized and existing under the provisions of the Minnesota Non-Profit Corporation Act, the terms of the Audi Club's directors are subject to the requirements of Minnesota Statute § 317A.207, which I understand provides that "[a] decrease in the number of directors or term of office does not shorten an incumbent director's term."

16. At the 2006 Audi Club annual general election, the members voted to adopt the proposed bylaw amendment regarding the term of directors.

**Defendant Anderson Has Improperly Attempted To Remove Me From  
My Elected Position On The Audi Club Board Of Directors  
Before The Expiration Of My Elected Term On December 31, 2007**

17. On December 21, 2006, defendant Anderson informed me that "Amended Bylaw 5.2. Term," was being interpreted by certain members of the Audi Club executive committee to contain no "grandfather clause" and was further being interpreted to end my elected term on the Board of Directors as of December 31, 2006. *See* ACNA Executive Committee Minutes, December 21, 2006, pp. 1-2, attached as Exhibit 5.

18. In a letter to me dated January 12, 2007, defendant Anderson again stated that under some members of the executive committee's interpretation of the Amended Bylaws, Article V. Directors, 5.2. Term, that "since the language of the amendment does not contain a grandfather clause, it would not be appropriate to allow directors serving more than nine years to continue in that capacity." Anderson's January 12, 2007, letter to me goes on to state that, "as a result, the executive committee is writing to advise you that you are no longer on the Board of Directors." A true and correct copy of this January 12, 2007, letter is attached as Exhibit 6.

19. Defendant Anderson's improper and unlawful attempt to remove me from the Audi Club Board of Directors before the term for which I was elected expires violates the Audi

Club Bylaws and the Minnesota Nonprofit Corporation Act, both of which expressly provide that elected directors are to hold office for the term for which they were elected.

20. Also, at the time defendant Anderson attempted to terminate my position as an elected member of the Audi Club Board of Directors, I had not served as a member of the Board of Directors for more than nine consecutive years. Specifically, I was not a Board of Director in 2004.

21. After sending his January 12, 2007, letter, defendant Anderson has taken actions to exclude me from acting in my capacity as an elected Director and to prevent me from participating in the affairs, activities, and concerns of the Audi Club Board of Directors. Defendant Anderson has also excluded me from serving on the executive committee of the Audi Club in my elected capacity as an officer and Chairman of the Board.

22. After attempting to terminate my position on the Audi Club Board of Directors before the expiration of my elected term, defendant Anderson then improperly acted through the executive committee, without the authority and consent of a required quorum of the Board of Directors, and without my participation as Chairman of the Board and member of the executive committee, to manage the affairs, activities and concerns of the Audi Club in violation of the Audi Club's Bylaws.

23. If I am not restored to my rightfully elected position on the Audi Club Board of Directors before the expiration of my elected term, I will be irreparably harmed and have no adequate remedy at law. Defendants' wrongful and improper conduct prevents me from fulfilling my rights and obligations under the Audi Club Articles and Bylaws as an elected member of the Board of Directors, and threatens the ongoing success and operations of the Audi Club.

FURTHER YOUR AFFIANT SAYETH NOT.

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Craig Liechty

Subscribed and sworn to before me  
this \_\_\_\_\_ day of May, 2007.

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Notary Public