

February 8, 2009

Captain James Lovell
Lovell's of Lake Forest
915 S. Waukegan Road
Lake Forest, IL

Dear Captain Lovell:

I am writing to inform you of the "restructuring" of the Conserve School in Land o' Lakes, Wisconsin, a four-year college preparatory school with an emphasis on environmental stewardship, ethics and leadership. The restructuring will detrimentally affect the lives of 150 school children, their families, the faculty and staff (many will lose jobs and on-campus housing in addition to their jobs), and the community.

Conserve is a diverse school where 34% of its students are of color, 25% are international, 71% of the students receive financial aid with the average financial aid grant amounting to over \$23,000. Conserve school is a place that holds promise for many of the ethical, environmental and educational problems our country is facing. A quick review of the Boarding School Review will illustrate why it is in the Top 20 of 244 boarding schools in the nation in seven categories. The school is heralded by educators, environmentalists, and the media. It is a unique school about to be irreparably changed.

The Officers of the Conserve School have decided, without external input, to change the school from a four year college preparatory to a semester long program for juniors to attend, like a study abroad program. The School is terminating all but eight teachers to serve approximately 45 students per semester. The Officers/Trustees of Conserve School are offering a transition year for current sophomores and juniors so they can complete one more year, but are not allowing any current freshmen to return.

The students, parents, faculty, staff, and general public are being told the restructuring is due to the current economic climate. This is difficult to understand because of 244 boarding schools in the nation surveyed by Boarding School Review, Conserve is in the top 11 schools with the highest endowments per student.

The Conserve School is owned and run by the Conserve School Corporation (a Wisconsin Nonprofit Corporation) established and funded by a trust established by James R. Lowenstine after his death. The Conserve School Trust (an Illinois domiciled trust) is composed of about 60% stock in Central Steel & Wire (currently worth about \$138 million) and about \$40 million in other investments. When the trust was established it stipulated that if the Conserve School became financially unviable then (according to the Trustees) the stock of Central Steel and Wire should be sold and the proceeds distributed to Culver Military Academy which Jim Lowenstine attended.

The Officers of the Conserve School Corporation are also the Trustees of the Conserve School Trust, and the Board of Directors for Central Steel and Wire (with its headquarters in Chicago). The Trust controls 59.02% of the voting stock of Central Steel and Wire.

In a meeting on February 1 with about 15 parents of Conserve students, Stefan Anderson (Headmaster of Conserve School), as well as Ron Kazmar and John Calhoun in their dual roles as Trustees of the Trust and Officers of Conserve School, Ron and John confirmed their conflict of interest in their roles. They went on to state that their first priority is Central Steel and Wire, second the Conserve School Trust, and last the Conserve School Corporation. Further confirmed by the Trustees was that the Conserve School Corporation is not an asset of the Trust and is an entirely separate entity that is an income beneficiary of the Trust.

Because the Trust controls the largest block of voting stock of the Central Steel and Wire, Trustees have a vested self interest in not diversifying the investments of the Trust or they would lose control of their ability to vote the stock as they see as being in the best interests of Central Steel and Wire and themselves. They have no motivation in doing what is in the best interests of the Conserve School Corporation if it conflicts in what they feel are the best interests of Central Steel and Wire, the Conserve School Trust, and themselves.

The Trustees have decided to base their funding for the Conserve School Corp on their decision not to diversify the Trust investments and primarily fund the school from the dividend of Central Steel and Wire. When asked if consideration was ever given to diversify the assets and petition the courts to make the Trust a Total Return Trust they said they never considered it.

When asked about changing the composition of the Conserve School Corporation Officers to people in the academic field and hiring a Director of Development the response was silence.

The Trustees/Officers were asked by a number of parents in the interest of dissemination of information and transparency, to allow a representative from each grade to sit in on their next meetings to discuss the future of the School, the Trustees said no. When asked for copies of minutes of the next meetings they again declined.

The loss of Conserve School as a four-year college preparatory school would be immeasurable in the cost of human capital being developed through the students they graduate, and sadly measurable in the economic loss to the teachers, staff, and community.

Conserve School would be best served by establishing a school board resembling most commonly comprised boards, and adhering to wishes of James Lowenstine as detailed in his trust.

Please contact Michael Cronin in his roles as President/Director of Conserve School Corporation and of Director of the Conserve School Trust, and Ron Kazmar in his roles as Managing Director of the Conserve School Trust and Director/Treasurer of the Conserve School Corporation in writing, or by phone. Encourage them to do what is in the best interest of Conserve School.

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Sincerely,