

THE STATE UNIVERSITY *of* NEW YORK

May 27, 2005



Mr. Francis X. Gallo
President
Fort Schuyler Maritime Alumni Association, Inc.
c/o ALCRIS Corporation
1527 Franklin Avenue, Suite 305
Mineola, NY 11501

*Office of the
Vice Chancellor for
Finance and Business*

University Controller

*State University Plaza
Albany, New York
12246*

*518 443 5463
fax - 518 443 5871*

Dear Mr. Gallo:

We have reviewed your letter dated May 11, 2005 relating to the proposed agreement between the State University of New York and the Fort Schuyler Maritime Alumni Association, Inc. (FSMAA). After careful consideration of the suggested changes and comments you have made relative to the draft contract we presented to you in our letter of March 22, 2005 and a thorough review of FSMAA's incorporating documents and bylaws, we regret that the FSMAA has decided not to establish a framework that will enable it to work in support of the State University's key policies, goals, and objectives in fostering a healthy, collaborative, and comprehensive relationship with Maritime College, its faculty, staff, students, and graduates. Therefore, we have determined that it is not in the interest of the College, its constituencies, and the State University to enter into a contract with the FSMAA.

Please understand that without a contract, from this point forward, the FSMAA no longer represents the Maritime College, has no right to use its name, and is no longer affiliated with the College in any way. The FSMAA also has no authorization from the State University or Maritime College to do fundraising on behalf of the College for any purpose, including scholarships.

There are several actions taken by the FSMAA that led us to our decision. First, we have always believed that any alumni association associated with the State University must agree to work with its host campus and seek to share the same goals and objectives to foster the interests of the campus and its alumni. After what is now many months of discussions including assistance from the state legislative offices of Senators LaValle and Johnson, we do not believe FSMAA is willing to do so.

To provide you with some examples of this, in the point-by-point analysis in your May 11 letter to me, in discussion item no. 2, you state that "FSMAA's activities are not conducted exclusively to benefit the Maritime

College." In discussion items nos. 6 and 7, you are suggesting wording changes that tells us that you will not accept "direction" on fundraising and other alumni activities offered by the campus. The FSMAA will simply "coordinate" its activities with that of the Maritime College. One very important additional issue of concern is the provision FSMAA's bylaws where the focus is to foster nautical education for cadets and your membership is restricted to only those alumni who "were enrolled as cadets and pursued a nautical education."

Another example is the purpose for which FSMAA was established as described in the current FSMAA's State of Delaware Certificate of Incorporation which provides that its activities and assets shall be used "to support the perpetual use of the land and buildings at Fort Schuyler for use as a maritime school, devoted exclusively to purposes of nautical education." In contrast, in the 1985 bylaws of the FSMAA where Article 1, section 2 and Article 2, section 1 refer to "...absolute recognition of the Chief Administrative Officer of the Maritime College for and on behalf of the State University of New York," and "...work actively and effectively to advance the professional interests of the Maritime College of the State University of New York (hereafter called the Maritime College), its alumni, faculty and students," respectively - - the former has been virtually struck from the current FSMAA bylaws adopted last year, and the latter has been changed to "...advance the professional interests of the alumni, faculty and cadets of the Maritime College...." These facts clearly illustrate and amplify the FSMAA's deliberate intent to continue to selectively choose both the students it will support, and the College goals it will cooperate with. As noted above, the FSMAA fails to recognize that the goals and objectives of the Maritime College are broader than the purposes described in FSMAA's Certificate of Incorporation.

There are many other aspects of the structure of the FSMAA we have concerns with, but in summary, we believe that the FSMAA's stated intention to support and enroll only selective portions of the campus' students and alumni, and to promote only certain selective functions and activities of the College in accordance with the agenda of the FSMAA's leaders gives us no choice but to permanently sever our ties. The State University cannot be bound to an "independent" organization that has goals and agendas which are not reasonably congruent with, nor broadly supportive of, the overall goals of the College and the success of all of its students.

Very truly yours,



Patrick J. Wiater
University Controller

Copy: Senator LaValle
Senator Johnson
Chancellor King
Vice Admiral Ryan
Vice Admiral Craine
E. Capaldi
K. Cline
J. O'Connor
M. Trunzo
D. A. Edwards
P. Ploughman