

Checklist of Questions for your Regulator

- ✚ Is the deal in the public's interest? That is, has fulfilling the nonprofit's purpose truly become untenable so as to warrant approval of a conversion?
- ✚ Did board members fulfill their fiduciary duties?
- ✚ Who advocated for the deal?
- ✚ What other options did the board consider? How did they arrive at the deal they are pursuing?
- ✚ What is the fair market value of the charitable assets that are at stake in the transaction? Does the proposed plan preserve them for charitable purposes?
- ✚ Did an independent expert conduct a valuation or at least review the valuation?
- ✚ Will board members or executives get new jobs, stock options, "golden parachutes," and/or severance payments?
- ✚ What happens if the new company becomes insolvent?
- ✚ Are services provided by the nonprofit likely to be lost?
- ✚ What organization will control the charitable proceeds? Will a new foundation be established?