

Art Stegen went to Jericho VT on Aug 1<sup>st</sup> for the summer roller ski championships and provided, in an email dated August 2<sup>nd</sup>, a very good summary of what he learned -

For ease of readership, below are bullet takeaways from Art's long email:

1. Art attended the summer roller ski championships in Jericho, VT on August 1, 2026
2. No non-athlete Board member attended on Aug 1<sup>st</sup> (Art did not stay for the events on Aug 2<sup>nd</sup>).
3. USBA CEO Jack Giehart did not attend.
4. Not one of the many individuals Art spoke with was in favor of the USSS / Bob Hall proposal.
5. No one!!!
6. That includes Max Cobb, who expressed (w/o going into detail) his "concerns". Max implied that the IBU is not looking at USSS control of USBA favorably.
7. It was suggested that Stifel, a major financial institution and an important sponsor of USSS, would like to see its logo on US Biathlon uniforms and in US media covering US biathlon events.
8. Biathlon is immensely popular in Europe and biathlon competitions are closely watched by millions in Europe.
9. FIS is losing ground in terms of sponsors and income, as compared to the IBU, which is surging.
10. USBA has (apparently) been told to expect cuts in USOPC funding by some 22%.
11. USOPC is reportedly "in support of" a merger with USSS; and will retore the cuts if a merger goes through and vaguely promises additional funding if USBA agrees to the proposal.
12. Some people Art spoke with view that as "blackmail"
13. After any merger (or whatever), the USSS would be "charging" us for "taking over" the management of biathlon, which would include the elimination of the USBA CEO position and USBA media. (So much for the claimed "savings" being touted by USSS / Hall for getting rid of the duplication of administration)
14. The athletes will have a rep on the to be named three-person Working Group which was tasked by the Board at its meeting on July 29 to come up with a final proposal by the end of August. (NOTE: Remarkably, the wording of the Board-approved resolution leaves no option for the Working Group find that it will not work... or that the proposal should be scraped). Thus, the outcome is pre-

determined, even if the members of the Working Group find no way to “get around” (Sophie’s words) Federal law.

15. Apparently, the athlete reps on the USBA Board will not be choosing the athlete to be on the three-person Working Group.

### **ADDITIONAL TAKE-AWAYS**

1. USBA leadership (Hall/Gierhart) continue to play “hide the ball” and not be direct, forthright (or honest) in their media releases with respect to what really went on at the July 29<sup>th</sup> Board meeting (e.g., that the athlete reps refused to go along with Chairman Hall’s request that the Board immediately vote “yes” to the merger proposal)

2. Notwithstanding this setback, Hall/Gierhart are aggressively moving forward with USSS’s merger/consolidation plan pretending that they have a mandate from the biathletes and USBA membership when, in fact and truth, they do not.

3. Even USBA staff are not supportive of what Hall and Jack are doing.

4. It’s like *Alice in Wonderland*: Just pretend and keep moving forward as if you have a mandate which does not exist.

5. Bob Hall’s management style in running USBA has been closely observed and criticized. It has been reported on the internet (Ai) that Hall uses a “Top-Down business approach”: and has been “accused of pushing his plan forward through closed -door discussions without properly notifying or involving the wider biathlon community.” The lack of transparency under Hall’s leadership has “caused distrust within the [biathlon] community.” Current and former biathletes and their supporters have expressed concerns with Hall’s management style which has been characterized as “authoritarian” and have cited “the disconnect between management and the athlete community.” ... “Still others have voiced worries that [Hall’s] ethical lapses in governance suggest a disregard for established protocols.” ... “Many have expressed concerns that [Hall’s] approach threatens the future of the sport due to perceived ethical lapses and a disregard for community input.”

6. As a result, “athletes and [their] supporters have organized against [Hall’s] leadership, indicating widespread dissatisfaction with his methods.”

7. Perhaps the source of Hall’s ill-suited management style with USBA can be explained by his background as a founder and owner of private equity and investment firms he controls and manages, where he is answerable to no one.

8. Hall's enormous success in making money with his privately- held companies do not give him license to exercise that same style of management in a Section 501 (C) (3) Not for Profit membership organization such as the USBA whose members' rights are being trampled on and their fully expressed views against the USSS /Hall proposal are being deliberately ignored.

9. Reaction by Chairman Hall to the widespread expressed concerns voiced against the USSS / Hall plan has been disappointing: One is reminded of Lucy von Pelt, a main character in the Peanuts comic strip by Charles Schultz.

10. "Lucy" is the famously well-known character in the comic strip for being bossy, deeply unyielding and someone who always wants her way. Lucy would routinely demand that games be played by her rules. When faced by resistance from Charlie Brown or others, Lucy would frequently storm off, packing up and taking her literal or metaphorical "marbles" as she left.

11. Playing Lucy here is inconsistent with a director's duty of loyalty to the USBA.

12. The case ***Shocking Technologies Inc v. Michael***, a well-known case decided in the Delaware Court of Chancery in October 2012, is instructive; There the Court took note of a director's duty of loyalty to the corporation on whose Board he served and found that the director's subjective view of what he believed was best for the corporation did not permit him -- consistent with his duty of loyalty -- to exercise whatever power he may have to threaten the corporation's existence to achieve his goals. As the Court stated, "The [director's] fiduciary duty of loyalty... requires that [he] absolutely refrain from any conduct that would harm the corporation."

13. Art Stegen, in his email, has already noted the motives of Stifel, one of USSS's most important sponsors **It's all about media and money.**

14. So is it with USSS.

15. As Olympian and **USSS spokesperson Kikkan Randall** candidly and famously said: **"There's a recognition of how big biathlon is in Europe. Being able to tap into that popularity and marketability is really intriguing."**

16. The USBA Board, after its 3-hour closed door meeting on July 29<sup>th</sup>, finally went into open session and voted create a 3-person Working Group to further work on the matter (having rejected USSS's proposal) ; but the Board also dictated to the Working Group the outcome it wanted, and to deliver it by the end of August.

17. More specifically, the “resolution” adopted by the USBA Board on July 29, 2026 “tasks” the Working Group to “negotiate with USSS” and “present to the Board... their final draft... of a definitive agreement ... with USSS that more specifically defines the principles of a Strategic Operating Agreement that ensures governance autonomy for US Biathlon in compliance with the Ted Stevens Olympic and Sports Act.”

18. The USBA Board’s “resolution” further provides that the Working Group should “present their final draft to the full Board *for appropriate review and approval at least one week by August 29, 2026*”

19. A couple points about the Board resolution and this last sentence:

- (a) It does not provide that the Board may **disapprove** of the final draft
- (b) The Board, according to the resolution may only “approve” it after its review;
- (c) Really? This means that the Board has already pre-determined to “approve” whatever the Working Group” comes up with?
- (d) Is this the way it is supposed to work?
- (e) In addition, is unclear what the words “at least one week by August 29<sup>th</sup>, 2026” means.
- (f) For example, is a meeting of the Board to be called “to approve” the “definitive draft” of a “Strategic Operating Agreement” that the Working Group has negotiated with USSS?
- (g) If not, then what does that last phrase mean?

20. What is perfectly clear from all this is that at least a majority of the directors care nothing about the views of the overwhelming number of biathletes and other USBA members who oppose what is being proposed. (Itself a violation of the Sports Act)

21. The Board has already determined the outcome it wants from the Working Group it created, and it has already announced that it votes to approve the proposal. sight unseen.

22. The Board believes that will be the end of the matter.

23. However, TEAM INDEPENDENT BIATHLON respectfully disagrees.

24. The following points come to mind from the TEAM INDEPENDENT BIATHLON legal department.

- a. Contracts/agreements with third parties must comply with a corporation's Bylaws as bylaws serve as the internal rules governing the corporation's operations;
- b. If a contract/agreement contradicts the bylaws, it may be deemed invalid or unenforceable.
- c. Violating bylaws can expose responsible individuals to significant legal liability;
- d. The contract/agreement is also voidable and unenforceable when, as here, the third party, e.g., USSS is aware of the conflicting USBA Bylaws;
- e. Directors and/or officers who sign a contract that violates or contains terms that are inconsistent with the terms of the corporation's bylaws violate their fiduciary duty of care and obedience, and can face significant legal liability;
- f. If the contract/agreement conflicts with a controlling statute, the statute always wins and the conflicting contract/agreement is unenforceable;
- g. That is because statutory law always overrides private agreements;
- h. If the directors of USBA intend to amend the USBA's bylaws, they need to be mindful of the legal requirements of Chapter 39 of the USBA Bylaws, entitled "Amendments to Bylaws".

TEAM INDEPENDENT BIATHLON