

Doc 9- Letter from Jeff Bliemeister, Museum ED, December 19, 2016, concerning Hemmings Article

Hershey, PA – December 19, 2016

The old car hobby recently learned of the Antique Automobile Club of America's decision to defund and end formal relations with the AACA Museum. The two organizations have been in merger negotiations for approximately two and one half years and at one point had a jointly signed letter of intent to move forward. The Club reneged on their commitment and ultimately rejected a total of 11 different proposals from the Museum before announcing their decision to end the relationship.

The AACA Museum is an independent 501 (c)(3) not-for-profit organization. While the AACA certainly gave birth to the Museum, it was not created with the intent to eventually be merged with the Club. Membership clubs and museums have two completely different missions, structures and sometimes even audiences. What brought the two organizations together and has kept them together was people who shared a dream and a common love of the antique automobile and its history. The AACA National, and its regions and chapters, have changed their governance structure over the years to become non-profit organizations. This was done for a variety of reasons, none of which was to qualify National to merge with the Museum.

In the Hemmings article that broke the story, the Museum responded accurately to all questions it was asked and refrained from engaging in dialog that might further the deepening division between the two entities. Until these recent events, the Museum's Board of Directors considered the discussion open and unresolved. In response to the subsequent posts on the Hemmings Blog and AACA Forum, plus the language of the Club's letter recently sent to its members, the Museum must now share some of the facts regarding the merger discussion.

First, it is paramount that everyone realizes the AACA Museum is financially solvent and can stand on its own. The Museum has approximately 18.5 million dollars in assets between its physical plant, land and historical vehicle collection. The Museum operates in the black with a 1.5 million dollar annual budget. It is a mission-driven 501 (c)(3) organization that is not going anywhere. The Club's implied fear of the Museum changing its focus to something different and therefore damaging the AACA brand name is an insulting and ridiculous statement. AACA members played a tremendous role in getting the Museum to its current level, but overall involvement and investment in the institution has been far-reaching and well beyond the AACA since initial incorporation and has continued to grow over the years. Funds to purchase the property and construct and outfit the Museum came from a wide variety of sources. Outside partners such as MBNA Credit, the Museum of Bus Transportation and the Cammack Family, among many others, were all vital in shaping our success. Yes, individual AACA members and many regions and chapters have been extremely generous to the Museum. We are grateful for this support and hope it continues, despite the current situation.

The AACA's formal financial contribution to the Museum started in 2008, five years after we opened to the public. It amounts to approximately \$80,000 per year, which translates to

approximately five percent of the Museum's operating budget. For that contribution, which amounts to about \$3.00 per person, all AACA Club members are given free unlimited admission to the Museum. That's not a bad deal as the regular admission rate is currently \$12.00 for a single adult ticket. That benefit is advertised as part of Club membership. Club member attendance through this program amounts to approximately 2.5 percent of our roughly 70,000 person annual attendance (2.6% or 884 visitors for January – November 2016). That is the extent of AACA's outright financial contribution to the Museum. Of course there are many other programs and events that benefit the Museum in which the Club or Library plays a role. The three organizations traditionally hold a vehicle raffle. Support is given for Night at the Museum during the October Meet. The Museum itself is also a recipient of funds from the annual Elegance at Hershey. The difference is that the Museum has a stake in all of these activities and plays an equal and sometimes leading role in providing volunteers, marketing and logistical support to insure each event's success. The money is not a gift and more importantly, all AACA entities benefit. Divided on these projects, everyone loses.

Merger discussions have been ongoing for two and one half years, but the AACA membership and the general public really don't know what's transpired. Yes, there was always a general sense that it would be good to have all AACA entities together on a single campus, but how and when that might be accomplished was never clear. A merger can mean many different things. Over the course of these discussions, eleven different proposals were offered by the Museum and each was rejected by AACA National. The proposal associated with the signed letter of intent actually offered the Club a 50 percent equity share of the Museum's land, along with many other favorable provisions. AACA National has always had a dedicated seat on the Museum's Board of Directors. It is written into the Museum's by-laws. The Museum has no representation on National's Board. AACA National has ongoing access to all Museum correspondence, and was privy to every detail of the negotiation process. Due to this representation there could be no behind the scenes dealing and no surprises from the Museum. The last rejected proposal included a multitude of tenants that would greatly strengthen the ties among our groups, including a joint membership program, and an offer of support from the Museum to help raise money for a new AACA Headquarters and Library building, much in the same spirit of the Museum's construction fifteen years ago. Finally, the Museum also offered the outright gift of three acres of land on the campus, believed to be worth in excess of one million dollars, for this construction. Both organizations would keep their boards of directors and separate federal employee identification numbers (EIN).

This proposal was dismissed by the Club on the grounds that they owed their members even greater equity and control. They also required the subjugation of the AACA Museum's Board of Directors to an advisory capacity with no formal fiduciary or policy role, along with the forfeiture of the Museum's federal Employee Identification Number (EIN), essentially ending the AACA Museum as an organization. Lost in all of this is the simple fact that no one, including AACA members can "own" the AACA Museum. When you make a donation to the AACA Museum or any other type of not-for-profit, such as the American Red Cross, your church or the school you attended, you do so because you believe in the organization and support its mission. It's not realistic to expect any "ownership" as a result. Non-profits, by their very nature belong to no one and everyone at the same time.

The Board of Directors of the AACCA Museum is appreciative of the relationship that has existed between the two separate organizations since day one. It is sad that the way the two groups have operated for the last fifteen years is going to be discarded because AACCA National sees only one dictatorial path forward and no ground for compromise. From the Museum's point of view, negotiations are still open. In recognition of our history and relationship, the Museum will continue to honor our policy of providing complimentary admission for AACCA Club members, regardless of this decision. In the spirit of transparency, the AACCA Museum will make available all information regarding the merger and invites the National Board of the AACCA to share our most recent proposal and any of our ongoing documents with their membership for comment and discussion.

Jeffrey Bliemeister
Executive Director
AACCA Museum, Inc.