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**Joint Statement of Results
AMC Due Diligence Committee
on behalf of AFA, AFLV, and FEA**

Managing associations (non-profits) has become increasingly complex. Association management companies (AMC) are positioned to help associations handle the rapid changes taking place in their environment, the economy, technology, and the legal landscape, as well as provide a skilled workforce to be responsive to member needs.

In the U.S., association management companies serve as strategic partners and headquarters resources to thousands of international, national, regional, state and local organizations representing more than \$3.4 billion in annual activity.

With the consistent complexities of the association work environment so apparent, a small group of leaders within the fraternal community came together in early 2011 to discuss the possibility of establishing a professional service firm that could provide management and specialized administrative services specifically focused on and committed to the unique needs of the fraternal industry. It was essential and exceptional that this company have unparalleled industry expertise in and of the fraternal market.

The discussions evolved into an official gathering in June of 2011 of a focus group including representatives from the Association of Fraternity/Sorority Advisors (AFA), the Association of Fraternal Leadership and Values (AFLV), and the Fraternity Executives Association (FEA). These three groups decided to explore the possibility of establishing an AMC for the following reasons:

- AFA – because of its need to identify a staffing model that would best serve its membership.
- FEA – because of its strategic intent to significantly improve professional development opportunities and services it provides to its membership.
- AFLV - because of its industry expertise and access to resources.

All three entities felt that with this type of company in place, the fraternal industry as a whole would improve. Fraternal organizations would be served by experienced, high caliber association management experts who know and understand the fraternal industry because they have experience in

it. The quality of programming provided by clients to their members would improve as specialized personnel focus on outcomes. Boards would be able to be more strategic allowing for stronger leadership and easier recruitment. And most importantly, clients would receive greater benefit from a more efficient pooling of staff support. The Fraternity industry would be more effective, connected and efficient.

From the June 2011 meeting came the appointment of a Due Diligence Committee with members representing each of the three organizations and an outside consultant was hired to facilitate the work of the Due Diligence Committee.

It was the belief of the Due Diligence Committee, that this Association Management Company could provide the highest level of customized services designed to deliver truly measureable value and superior results for fraternal clients.

After much research (including the advice of legal counsel), intense deliberations and an additional face-to-face meeting, a business plan for said Association Management Company was proposed to the Board of Directors of each entity on November 15, 2011.

The business plan proposed that the new AMC be fully owned by the three entities involved in the discussions and would operate out of Fort Collins, Colorado, absorbing the current regular staff of AFLV. Under agreement, the owners would serve as full time clients for a minimum of three years.

The AFLV Board of Directors voted in the affirmative on November 18, 2011 to move forward with the creation of the AMC assuming that they would move forward as an owner with at least one of the other three organizations.

The FEA Board of Directors, on November 21, 2011, concluded that participation by the FEA in the fraternal AMC was not feasible at this time due to economic and infrastructure constraints and programmatic requirements. The FEA board also expressed its appreciation for the thorough and timely work of the due diligence committee and its desire to continue to work together with the AFA and the AFLV in support of the success of the Greek community.

As a result of FEA's decision to not participate in the AMC, the three-owner model option was not available to AFA, leaving the Board to consider a two-owner model. The AFA Executive Board voted in the affirmative on November 30, 2011 to move forward with the creation of the AMC.

AFA and AFLV will move forward with the creation of a two-owner Fraternal Association Management Company in the upcoming months.

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