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Oklahoma City, OK 73132  
November 8, 2020

Steven J. Junior  
Wisconsin Office of the Commissioner of Insurance  
125 South Webster Street  
Madison, Wisconsin 53703-3474

Dear Mr. Junior:

I am writing this letter to memorialize various issues we discussed over the phone a few weeks ago and to further explain several unresolved problems I continue to find with the proposed merger of WFL and NMB. I have already submitted, under my own signature or joined with other interested members, written documents outlining aspects of this merger that are apparent violations of WFL members' rights. This letter adds to some of these issues and also raises further issues in light of events that have transpired since the time of those document submissions. I would like to mention that I am a fourth generation WFL lodge member and lodge officer. I was a delegate to our most recent convention in July 2019. My mother served on the WFL National Bylaw Committee for many years. I served as Director of District 7 in the past. My father and great grandfather served as lodge president. This organization holds a special place in my family. I continue to serve as my lodge's president, and I take pride in representing my approximately 300 members to ensure their rights are protected. I was accused publicly by WFL/NMB leadership of being the cause of the failure of WFL if I did not vote "yes" on the merger; this was done instead of simply answering my questions. I have degrees in finance and law as well as a minor in journalism, so I believe all my questions are valid and deserve answers, not reprimand and ridicule. One of my lodge members was threatened with lawsuit by WFL leadership if she continued to ask questions about the merger, and she was advised the same threat applied to anyone else who did the same. I assure you that my continuing to submit questions and statements to you for this merger review is not something I do lightly; in fact, I fear reprisal and retaliation should this merger be approved. Nevertheless, I must continue to pursue the truth and make every effort to preserve the rights of our members and the integrity of our association and what it has represented for these past 120 years.

The overall problem that is apparent in this matter is the continuing lack of input from membership in this merger as well as the withholding of material information and facts from membership. Not only did the WFL management team and board of directors fail to consult membership (delegates) regarding the structure of the merger and the manner in which it would be implemented, they have continued to shut the members out of all decision-making during this interim period (including even the name for the new organization). Actions speak louder than

words. The fact that zero member input has been sought in all decision-making is a clear indication that the future organization will not be one in which the members have any control or even influence in how their own organization is operated. It is a clear indicator of the value (or lack thereof) that the organization presidents and board members place on the members. I will detail some of the glaring ways that members have been shut out of our own organization in the remainder of this letter; however, I find that any elimination of member opinion and input violates the very definitions of fraternal benefit societies under Wisconsin law. Wis. Stat. § 614.01(1)(a)(4) requires such to have a representative form of government. Wis. Stat. § 614.02(2)(c) states that one of the purposes of a fraternal under Wisconsin law is “To strengthen internal fraternal democracy through as much member participation as is practicable”. Already, before this merger has even been approved, the management and board of directors are operating with as little member participation as they can. Given the manner in which the entire merger and change in governance was presented to WFL members and delegates and the manner in which the vote on such was conducted, this pattern of conduct is worrisome at best and should cause you as regulators great concern.

When you pressed them, the presidents of WFL and NMB provided you with lists of the various firms they consulted regarding this merger as well as numerous certified financial statements and documents. They neglected to inform you that none of this information was or has been provided to WFL members, even when members specifically asked for it. The only way for members to know about it is to know this website exists, but the WFL president and board of directors has not informed any members that your website exists. Instead, they have, via multiple communications, told members the merger is official and is just waiting until January 1, 2021 to be legally proper. Thus, you can see that the average WFL member has no idea that your website or proceeding even exists, let alone that there have been any irregularities, lost votes, withheld information, etc. In my opinion, all of the financial statements and analysis by the outside firms that the WFL presidents has listed in communications with you should have been provide to every delegate, if not every member, prior to the vote on merger in April/May, as there is no way to make an informed judgment on a merger without this. I can see no reason for this failure to communicate material facts to the delegates, and this failure becomes more egregious given the fact that delegates asked for it and were not provided the same information that was sent to you.

It is an apparent accepted fact that the WFL vote on the merger and extreme change in governance of our organization was conducted in an unorthodox manner. Some of this was due to the COVID situation in our nation, and some was due to either ineffective action or deliberate planning of our board of directors and president. I would contend that the vote in and of itself is in violation of our WFL bylaws as it violates our publication rule on more than one count. The most important violation, in my opinion, is that our bylaws require publication (in the two Fraternal Herald issues immediately prior to the first day of the month in which the return day of the ballots occurs) of a notice containing “an exact statement or text of the proposal to be voted upon” (WFL Bylaws, Section 56). For our merger vote, this required publication of not only the merger proposal but also the entire new set of bylaws and articles of incorporation. This was not

done. In fact, the complete set of all that we were voting on (merger, bylaws, articles of incorporation) was NEVER published in the Fraternal Herald and was not discussed on the website that WFL and NMB created specifically to educate members and inform them of specifically what was involved and what was the subject matter of the vote. The rather lengthy powerpoint presentation prepared by the WFL president for the district meetings contained no information or discussion of the changes in bylaws and articles of incorporation. This should have been acknowledged, explained, and discussed by him as it is the most major change to our WFL in the history of our organization. Instead, he chose to remain silent and hope that no one would bring it up. His "out" is that the bylaw and articles of incorporation changes were available on a tab that was not clearly marked on his created website and required a rather cumbersome process to locate these documents and print and collate them (as they were not all uploaded to be viewed or printed in one document). The fact that these bylaw and articles of incorporation changes, which in effect result in a complete change in our entire organization as we know it and a stripping of the members' right of self governance and right to control our own bylaws, was scarcely mentioned and never discussed in any detail is appalling and unethical. In my opinion, this material fact was hidden in an effort to deceive delegates as to what was actually the subject matter of our vote. Our president and board of directors hoped that our members would rely on the trust relationship and believe what they told them was happening with the vote instead of what was actually happening with the vote, knowing that once they achieved a favorable vote, our old bylaws would disappear and with it, any hope of enforcing our bylaws also disappeared. You are our only hope to enforce our rights under our WFL bylaws that have been violated and, thus, members' due process rights have been violated. I will discuss this more subsequently in the circumventing of the apparatus of the convention itself, which is a check/balance inherent to our WFL governance. I additionally am utterly shocked at the lack of checks and balances in the new set of bylaws and articles of incorporation. The new merged organization structure appears ripe for problems based on this lack of accountability. I would hope that this would be under your jurisdiction to remedy. If not, who is to help us prevent this new organization from failure due to the mistakes or deliberate fraud of the small few who are in total control and have no direct accountability to the membership? It would seem we are no longer going to operate as a fraternal; we will continue to do our fraternal activities, but the reciprocal duty of our board and management to consult, report, communicate with, and strive to consider the thoughts, needs, and ideas of their membership is lost, as there is nothing to require them to do so.

In our conversation in mid-October, I raised the issue of multiple delegates who mailed in votes that were never received by *Yes Elections* company hired by our President to conduct the election (I note this in and of itself is another direct violation of our WFL bylaws-the duty to conduct and supervise the election is assigned to the Chairman of the Board, and there are no provisions in the bylaws for him/her to delegate it to anyone else). You told me that only two of the 16 delegate votes that were not received had contacted you to inform you that they had indeed voted properly. You said there needed to be more in order to trigger further investigation by your office into possible fraud and disenfranchisement of voter rights. This is a problematic task with which to charge me (or any other concerned member/delegate). To the best of my

knowledge, the board of directors has never formally contacted any of the 16 delegates who did not have a vote received at *Yes Elections*. I contacted my director to find out the election results and learned that shortly after the election deadline, the board met, and when the issue of votes being sent but not received was raised, the majority of the board determined they would do nothing. I can state that I am the person who notified the Torticills that their votes were never received after I learned it from questioning my director about this problem; however, they should have been contacted immediately by the board of directors as should all of the other 14 people in order to ensure election integrity. I would gladly contact the other 14 delegates to find the information about when they sent their votes (if they did in fact vote) and how they voted, but I am not privy to this information. Our WFL home office will not share any contact information about the delegates to the convention or the names of the delegates who did vote and those who did not. The voting results have never been shared with the membership other than to state that the merger passed. I will guarantee you that the majority of the members have no idea how close the vote was mathematically and also have no idea that this number of people's votes were never received. Such information should have been shared with all members. In a separate document already made part of this record, I informed you that I also voted in a timely and proper manner via mail, and my vote was not received; however, I fortunately called on the last day of voting and learned my vote was not received, so I did vote online. One other thing that would suggest a strong possibility of voter disenfranchisement is the fact that the WFL president has informed you that *Yes Elections* states that, to date, no votes have been received after the deadline. That in and of itself is incredible and illogical. To say that 17 votes (I am counting my paper vote with the other 16) mailed through the United States Postal Service, at different postal locations throughout the country and at different times, all disappeared, is essentially impossible. If *Yes Elections* had received some of them later, then perhaps that would make more sense; however, to have that many just disappear is rather suspicious, particularly in a very razor thin margin of votes. Voting is one of the most basic of American rights, and this extends to our fraternal societies. In WFL, it is particularly sacred given the sacrifices and hardships of our Czech and Slovak ancestors and their immigration here to achieve the right to control your own governance in this country. The way this election was handled, and the secrecy and lack of transparency, is particularly upsetting for those of us of Czech-Slovak heritage, and it is extremely insulting and anxiety provoking. I know that your duty of regulation primarily involves financial matters; however, I believe that you also must regulate the procedural matters and the way members are treated, including preserving a fair and transparent voting process, because we members lack the resources to obtain information to do so in a situation when our leadership is essentially shutting us out and ignoring all requests for information.

When it was time for election of new directors, WFL decided not to use *Yes Elections* and instead contracted with Strohm Ballweg to conduct that vote. I have not heard any explanation as to why they chose not to use them for this. Could it be because they failed their duty to produce a fair election for us regarding the merger? Or could it be because they actually fulfilled their charge of conducting the voting as they were contracted to do by our President? Since no questions have been answered and no information shared, I have no idea what could be going on, but I generally begin to believe the more negative answer in situations when I am provided no

answers, communication, or information and things do not make sense, as I have outlined. We additionally have not been advised as to the cost of using *Yes Elections* and the cost of using Strohm Ballweg for the director vote. I would like to know one more thing: how many votes were received for the vote on new directors? Were any “lost”? If so, were they the same as those “lost” in the merger vote? All of these questions need to be answered in order for WFL members to know our leadership is using OUR money wisely, fairly, and ethically and treating all members fairly. If you cannot command WFL to provide answers to these questions or you will not compel WFL to provide such information to members, say in our publication, then how can we find out what is happening in our own organization? We members lack the resources and, further, we are spread over thousands of miles and in the midst of a pandemic that is prohibitive to travel and large meetings. If you approve a merger based on such secretive actions and deliberate failure to share basic information with the very people that are the organization, then such new organization is doomed from the start. I would presume your commission exists for the very purpose of protecting membership rights and finances. Thus, these questions I am raising have a direct relation to your purpose.

A disturbing matter has occurred over the past several weeks. All WFL lodge presidents received a letter in September stating that our organization’s publication, the *Fraternal Herald*, will be reduced to a quarterly publication effective with the beginning of 2021, and its contents would be changed to remove all lodge-created input. The *Fraternal Herald*, or *Věstník*, is an over a century old monthly publication, and it has always been the way members communicated with each other as its content is member-created. Lodge correspondents write articles. Members share recipes and submit photos and stories of lodge members lives and projects. Lodge member obituaries are printed. Members’ fraternal activities and achievements are highlighted. Articles of our Czech-Slovak heritage are included as are stories of lodge events related to the preservation and celebration of our heritage. This publication is essentially the most important member benefit other than the policy-related financial payments; I have been told this by multiple members over the years consistently. The decision to dramatically reduce and change our publication was not made by either board of directors. It was not made by the new fraternal board, which has not even been formed yet and thus has not yet met. I do not know who decided this. All I know is that it was not decided by any entity that has been elected by membership, and no member input was obtained (or requested or welcomed). The reason I was given for the decision was that we have limited resources that forced such a decision. Again, this is a completely contradictory statement, as the main (if not sole) reason we were told the merger was being proposed was to provide MORE resources to provide MORE fraternal benefits. So again, you have not even approved this merger, and we have been robbed of our most beloved fraternal benefit by an unknown person(s) but definitely a person(s) who was not elected by the membership. Again, I repeat my plea that if you as regulators do not step in now to demand explanation, accountability, and then ensure that you are being provided truthful answers, you are going to face a future of dealing with a failed company that you could have prevented. I note that I say “truthful answers” because I have noticed that in some replies to your requests for information, the presidents of the companies have not provided you with truthful answers. My proof is that in the September response to you, on page 5 under item (gg), the presidents stated

that three WFL meetings were held in person. The truthful answer is that only one WFL meeting was held in person, and all others had to be held via Zoom and telephone due to COVID restrictions. There was no reason to lie in this answer, and the truth is readily apparent with ample evidence to corroborate. In any credibility analysis, if a person lies about something such as this, for no reason about something that can easily be proven otherwise, their credibility regarding all other matters is called into question.

In reading the responses from WFL leadership to your requests for more information, I am struck with the thought that this merger was not a “sudden” opportunity that arose without time to advise the members in advance. Looking at the timeline provided by the WFL leadership, it is apparent that they had been discussing and working diligently on merger preparation and facilitation for some time prior to our WFL national convention in July 2019. Despite this, there was NO mention of it at our convention. In the greater than 100-year history of our WFL organization, the national convention has been the time that any important national business was conducted. Our bylaws were structured so that any changes must be submitted in enough time prior to convention to enable ample time for debate and discussion at the lodge level so the delegates could bring the membership’s opinions to the convention floor for additional open debate and discussion. This is a the core value of our organization-open and free communication at all times. Our current WFL leadership was well aware of this. Looking at their actions now, with the benefit of the information that they have submitted to you but failed to provide to us, I find it readily apparent that they made a deliberate choice to not present the merger at the convention for the reason that they did not want the delegates to have an open debate and discussion. Their timeline shows that such could have occurred easily without any business risk or harm. There was no reason for secrecy or delay at that point; if there is one, I think it needs to be clearly stated now. Instead, they threatened the board members with lawsuit if they told their members of anything associated with this merger and plotted to spring the matter on us such that we would be unable to all come together as a group for discussion and debate. This goes against all that WFL represents. I personally had a conversation with the WFL president the week the merger was announced. I requested that he provide transparency and facilitate communication among all members, and I even suggested he create a website or web page to allow members to “discuss” the matter online since we would not have the opportunity to do so at a convention as was always the way we did things. He told me he did not think this would be possible. I thought he meant it was not possible computer-wise, and I replied that I thought it was, as I do know that it would have been very easy to do. Now I see he said it was impossible because he did not want ANY communication among members or delegates. Again, I would hope you would find such conduct alarming and weigh heavily against approval of a merger. A group that deliberately hides all information of a merger that is reportedly the most wonderful thing that could ever happen to us and does not even work to be able to present as much as possible at our national convention is suspect at best and has minimal credibility in all other statements.

Lastly, I would request you to specifically address the issue of WFL lodge halls. There are multiple lodges of WFL who own lodge halls. Many of them are historic sites and all are integral parts of their local communities. All these lodge halls are owned and maintained by the

individual lodges and their own members, and they always have been. The WFL Home Office has never provided these lodges with any help, financial or otherwise, regarding maintaining their hall buildings or anything else associated with their hall. The lodge halls are totally locally owned and operated. We need a guarantee that, if you indeed approve the merger in spite of all the issues I have raised and others have raised, this new merged organization has no right or ownership of any lodge hall and cannot ever have such. This must be protected from any modification by any board vote or other bylaw or articles of incorporation amendment. It must be an absolute right of each individual lodge that owns a hall. Additionally, I ask you to require a provision that the board (or anyone else) is forbidden from forcing lodges to merge against their free will if it involves a lodge hall. Such action would put the lodge hall at risk. These lodge halls must be protected!

I realize that your commission primarily and perhaps solely investigates financial and regulatory matters with respect to mergers. In fact, I hope this is the case, as I would not expect that the problems we have encountered with this matter are commonplace. In the over 120-year history of WFL, these types of action and behavior have never occurred. Perhaps this can explain to you the level of trust the membership had with its leadership. In a fraternal society, one would expect and encourage such trust. In a fraternal society, the leadership owes an even greater fiduciary duty of care to manage the resources and communicate in a transparent manner with the membership. The facts surrounding this merger application, which have been explained to you in numerous documents submitted by members (including delegates and current and past leaders) demonstrate that not only was this duty of care and degree of communication not fulfilled, it was carried out in a manner to deliberately exclude the membership from any say in their own organization. To me, this is unacceptable under my reading of Wisconsin law and under basic American principles, and you must deny this merger as a violation of the rights of the members of WFL and the future security of their financial investments.

Sincerely,

Elaine Benda  
President, WFL Lodge #67  
Past WFL Director, District #7  
Delegate, WFL Convention 07/2019  
WFL 53-year member