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BEFORE THE UNITED STATES OLYMPIC COMMITTEE  
SECTION X OF THE USOC BYLAWS

Lynn Pearce Wooldridge-Thursby,

Claimant,

vs.

USA JUDO (USAJ),

Respondent,  
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**GRIEVANCE AND COMPLAINT PURSUANT TO SECTION 10 OF  
USOC BYLAWS AND TED STEVENS OLYMPIC AND AMATEUR  
SPORTS ACT**

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**I. INTRODUCTION AND PARTIES**

1. This Complaint centers on serious issues of financial mismanagement, self-dealing, and conflicts of interest, raised by a large supporter of the sport of judo who has also been a donor to the organization. Claimant does not bring this Complaint lightly, however, USA Judo (hereinafter “USAJ”) has had over nine months to address the problems that

Claimant raised as early as April 2014. Unfortunately, rather than correcting the problems, USAJ hired an independent consultant with minimal financial expertise, who after ostensibly investigating for several months, offered weak and essentially useless recommendations. As USAJ (hereafter, "USAJ") has failed to properly address these complaints, Claimant Lynn Pearce Wooldridge-Thursby turns to the USOC to properly address the issue pursuant to Section 10 of its Bylaws.

2. Respondent USAJ is the recognized national governing body ("NGB") for the sport of judo.

3. By the filing of this Complaint, Claimant asks the USOC to either revoke USAJ's status as the NGB for the sport of judo ; or alternatively, to require USAJ to fulfill the following obligations required by the USOC Bylaws and by the Ted Stevens Olympic and Amateur Sports Act ("TSOASA"), which obligations USAJ has failed and refused to comply with voluntarily:

a. USAJ has failed to fulfill its responsibilities as an NGB, as required by Article 8.7 (a) of the USOC Bylaws (attached as Claimants' Exhibit ---);

b. USAJ has failed to be financially and operationally transparent and accountable to its members and to the corporation, as required by Article 8.7 (m) of the USOC Bylaws;

c. USAJ has failed to maintain accurate accounting records in accordance with generally accepted accounting principles generally accepted in the United States of America, applied on a consistent basis (GAAP), as required by Article 8.7 (n) of the USOC Bylaws;

d. USAJ has failed to demonstrate the managerial and financial capability to plan and execute its obligations, as required by Section 220522 (2) of the TSOASA;

e. USAJ has failed to demonstrate that it is autonomous in the governance of its sport, as required by Section 220522 (5) of the TSOASA;

f. USAJ has failed to be responsible to the persons and amateur sports organizations it represents, as required by Section 220524 (1) of the TSOASA;

g. USAJ has failed to keep amateur athletes informed of policy matters, as required by Section 220524 (3) of the TSOASA;

h. USAJ has failed to post on its website its IRS Form 990 for the three most recent years, as required by Article 8.7 (r) of the USOC Bylaws;

i. USAJ has failed to post on its website its audited financial statements for the three most recent years, as required by Article 8.7 (s) of the USOC Bylaws; and

j. USAJ has failed to maintain at least 20% Athlete representation on numerous committees, as required by Article 8.8 of the USOC Bylaws.

4. Claimant is a member and long-term supporter of USAJ. Her initial financial contributions began in 2005 with restricted funding to the US Olympic Training Center program in Colorado Springs, which has provided travel assistance for athletes. She has worked with USAJ in the promotion and hosting of events, and has worked with USAJ to develop fundraising programs. In addition to assisting in developing fundraising for USAJ, she (with her husband) has also been a significant contributor, including over \$90,000 in grants to USAJ, as well as making a \$100,000 loan to USAJ. In the process of considering an additional \$500,000 loan to USAJ, Claimant requested the opportunity to review basic financial documentation to ensure that repayment would be forthcoming without hindering USAJ's operations. It was during this review of documents that Claimant became aware of and deeply concerned with the financial, managerial, and ethical issues that became the subject of the Complaint process that she initiated in April 2014, which is discussed in greater detail below.

5. As will be explained in more detail below, Claimant requests that the USOC revoke USAJ's status as NGB for the sport of judo. In the alternative, Claimant requests that the USOC place USAJ on probation for a period not to exceed 180 days, and require as a condition of that probation

that USAJ comply with its duties under the USOC Bylaws and the TSOASA with respect to the sport of judo, as detailed in paragraph 3 (a) through (j), above.

## **II. EXHAUSTION OF REMEDIES**

6. Claimant in this action has made extensive efforts to work with her NGB to achieve compliance by that NGB with the responsibilities and duties mandated by the USOC Bylaws and the TSOASA. Despite these extensive efforts, Claimant has been unable to either convince USAJ to comply with its duties under the USOC Bylaws and the TSOASA; or to have any grievance tribunal order such compliance. Any further efforts to resolve this matter, short of the filing of this Section 10 Complaint, would be a waste of time, and would result in unnecessary delay and irreparable damage to the sport of Judo in the United States.

### COMPLAINT #1

7. On or about April 24, 2014, Claimant submitted a 75-page Complaint to the USAJ Board of Directors [hereinafter referred to as “April 2014 Thursby Complaint”]. The April 2014 Thursby Complaint, which is attached hereto as Exhibit 1 and incorporated herein by reference, raised, *inter alia*, the following issues:

a) that USAJ’s Chief Executive Officer, Jose Rodriguez, owned or was a part owner in a number of other entities that were involved

in the sport of judo and/or did business with USAJ, which evidenced an actual conflict of interest or at least the appearance of a conflict of interest;

b) that USAJ's lack of managerial capability resulted in the loss of numerous sponsors and the loss of significant sponsor revenue;

c) that inaccuracies in USAJ's financial documents raised serious issues regarding the managerial capability of USAJ, including, without limitation, (i) differing sets of accounts payable; and (ii) possible manipulation of financial statements to make USAJ appear in to be in a better financial situation than its actual financial situation; and

d) that business dealings between USAJ and entities in which Jose Rodriguez had an ownership stake violated USAJ's internal Statement of Principles, Ethical Behavior, Non-Disclosure and Conflict of Interest policies, as well as the duty of loyalty and corporate opportunity contained in various applicable Texas statutes.

8. On April 24-25, 2014, Claimant and USAJ exchanged communications regarding whether or not Claimant needed to re-file the April 2014 Thursby Complaint with USAJ's Judicial Committee; with USAJ's President, Lance Nading, ultimately stating that this was unnecessary. See April 24-25, 2014 email exchange, attached hereto as Exhibit 2 and incorporated herein by reference.

9. On May 8-10, 2014, Claimant and USAJ exchanged further communications regarding the April 2014 Thursby Complaint; and on May

10, 2014, USAJ's President, Lance Nading, stated that the April 2014 Thursby Complaint would be treated by USAJ as a formal complaint. See May 8-10, 2014 email exchange, attached hereto as Exhibit 3 and incorporated herein by reference.

10. On May 12, 2014, Claimant and USAJ exchanged further communications regarding the April 2014 Thursby Complaint, in which USAJ's President, Lance Nading, stated that (i) USAJ's investigation of the April 2014 Thursby Complaint would take thirty (30) days; and (ii) USAJ staff and Board members should not speak with Claimant until USAJ's investigation of the April 2014 Thursby Complaint had been completed. See May 12, 2014 email exchange, attached hereto as Exhibit 3 and incorporated herein by reference.

11. USAJ retained TSE Consulting to conduct an "independent investigation" of the complaints addressed in the April 2014 Thursby Complaint. On June 13, 2014 – which was 30 days after USAJ's Lance Nading had represented that the investigation would be completed within 30 days, Mr. Dale Neuberger of TSE Consulting (in response to Claimant's inquiry) stated that "The TSE Consulting review is ongoing, and it will be concluded in due course, with all conditions still intact." See June 13, 2014 email correspondence, attached hereto as Exhibit 4 and incorporated herein by reference.

12. On June 17, 2014, rather than completing the investigation within 30 days as represented, USAJ (through TSE Consulting) requested additional information from Claimant. See June 17, 2014 email correspondence, attached hereto as Exhibit 5 and incorporated herein by reference. On June 22, 2014, TSE Consulting confirmed that Claimant was not required to answer these questions as a pre-condition to USAJ completing its “investigation” in a timely manner. See June 22, 2014 email correspondence, attached hereto as Exhibit 6 and incorporated herein by reference.

13. Nonetheless, on June 30, 2014, Claimant provided detailed answers to the questions posed by TSE Consulting. See June 30, 2014 email correspondence, attached hereto as Exhibit 7 and incorporated herein by reference.

14. On July 3, 2014, USAJ represented that the “final report” in response to the April 2014 Thursby Complaint would be issued “any day,” and again confirmed that the April 2014 Thursby Complaint was being treated by USAJ as a formal complaint under Article 14 of the USAJ Bylaws. See July 3, 2014 email correspondence, attached hereto as Exhibit 8 and incorporated herein by reference.

15. On July 9, 2014, USAJ provided Claimant with a copy of the “final report” issued by TSE Consulting. See July 9, 2014 email correspondence, attached hereto as Exhibit 9 and incorporated herein by



reference; and TSE Consulting Report, attached hereto as Exhibit 10 and incorporated herein by reference.

16. On or about July 23, 2014, at Claimant's request, USAJ provided a copy of the response that was submitted by its Chief Executive Officer Jose Rodriguez to TSE Consulting in response to the April 2014 Thursby Complaint [hereinafter referred to as "Rodriguez response"]. See Rodriguez response, attached hereto as Exhibit 11 and incorporated herein by reference.

17. On August 28, 2014, Claimant requested additional documentation directly from Jose Rodriguez, CEO of USAJ, in response to the issuance of the TSE Consulting Report. See August 28, 2014 email correspondence, attached hereto as Exhibit 12 and incorporated herein by reference. This email requested the following information and/or documentation:

a) specific documentation related to the Judo uniform ("Gi") sales that occurred in 2013, including a copy of the invoice from USAJ; copies of all payments from Pan American Judo Confederation ("PJC"); copies of all Gi payments made by USAJ to various vendors; complete reconciliation of the USAJ Greenhill vendor account (Greenhill Sport is a provider of judo uniforms); and any documentation establishing that USAJ knew and approved of this transaction (Gi sales) prior to it taking place;

- b) documentation to substantiate Jose Rodriguez' income and how expenses were reimbursed to him from the PJC and the IJF;
- c) a breakdown of income received from USAJ by Jose Rodriguez;
- d) copies of payments from USAJ to Jose Rodriguez made in the form of a cashiers check;
- e) documentation establishing the "substantial pay cut" that Jose Rodriguez claimed he received from USAJ;
- f) copies of any commission checks received by Jose Rodriguez from any USAJ vendors;
- g) documentation related to the purchase of merchandise by Jose Rodriguez from various vendors and his relationship to those firms;
- h) documentation of any funds received by Jose Rodriguez from any of the PJC federations for services rendered or the sale of merchandise.

18. On September 18, 2014, Claimant requested confirmation from USAJ that the investigation/complaint process would be considered completed as far as USAJ is concerned, to which USAJ responded in a confusing and non-committal manner. See September 18, 2014 email correspondence, attached hereto as Exhibit 14 and incorporated herein by reference.

19. On September 19, 2014, USAJ sent to Claimant a “draft” document titled “United States Judo, Inc. Financial Statements and Additional Information With Independent Auditors’ Reports Year Ended December 31, 2013 (hereinafter “Draft 2013 Financial Statements”). A true and correct copy of the Draft 2013 Financial Statements is attached hereto as Exhibit 14 and incorporated herein by reference. The Draft 2013 Financial Statements showed, *inter alia*, the following:

a) That USAJ’s total assets had decreased by over 40% in one year, from \$190,148 to \$110,826;

b) That USAJ’s total current liabilities had increased by over 30% in one year, from \$461,517 to \$605,776, which increase included “cash advances” of \$110,000 (identified as \$50,000 from “Employee” and \$60,000 from “Affiliated businesses”);

c) The Draft 2013 Financial Statements included a “Note 2 – Going Concern Matters,” which stated in pertinent part as follows:

“Management has evaluated the Organization’s ability to continue as a going concern.”

d) The Draft 2013 Financial Statements included a “Note 5 – Accounts Payable,” which stated as follows: “As of December 31, 2013, \$138,803 of accounts payable balance is at least 90 days past due, and of that balance \$41,102 was due to related parties.” The name(s) of these “related parties” are not identified in the Draft 2013 Financial Statements; but upon

information and belief, include Dollamur Sport Surfaces and American Judo Fund.

e) The Draft 2013 Financial Statements included a “Note 9 – Cash Advances – Related Parties,” which stated in pertinent part as follows: “The Organization entered into short-term borrowing arrangements with individual related parties, and other individuals and organizations affiliated with the organization. The Organization paid a flat 10% of interest on the cash advances without regard to the number of days the advance was outstanding. The cash advances were made under verbal agreements.” These “related parties” are identified in the Draft 2013 Financial Statements only as “Athlete,” “Employee,” “Affiliated coach,” “Employee relative,” “Affiliated Referee,” “Affiliated business,” and “Donor.”

f) The Draft 2013 Financial Statements included a “Note 11 – Commitments and Contingencies,” which stated in pertinent part as follows: “As discussed in Note 9, the Organization obtained short term financing. Based on the effective interest rate charged on the short term advances and the nature of some of the related party transactions, there may be potential liabilities related to IRS, payroll tax, and state statute regulations. Management has not accrued any liabilities relating to these contingencies as the likelihood of an adverse ruling and the costs associated with an adverse ruling cannot be reasonably calculated ... As of December 31,

2013, the Organization is not in substantial compliance with the compensating balance requirements for temporarily restricted net assets.”<sup>1</sup>

g) The Draft 2013 Financial Statements included a “Note 13 – Related Party Transactions,” which stated in pertinent part as follows:

“The American Judo Fund was created in 2007, by the board of the Organization, to provide support and foster the development of Judo competitors in the United States, and is associated with the Organization through shared board membership and mission ... During fiscal year 2013 the American Judo Fund granted \$150,000 to the Organization<sup>2</sup> ... The American Judo Fund provides a significant source of liquidity through financing activities and revenues in the form of contributions. The American Judo Fund represents a concentration risk to the Organization.”

h) The Draft 2013 Financial Statements included a “Note 13 – Related Party Transactions,” which stated in pertinent part as follows:

“Starting in October 2013, the Chief Executive Officer (CEO) for the Organization became affiliated with the International Judo Federation (IJF) as a Development Director ... The CEO is compensated approximately \$14,000 in a stipend and reimbursed for any travel expenses incurred in the position.”

i) The Draft 2013 Financial Statements included a “Note 13 – Related Party Transactions,” which stated in pertinent part as follows:

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<sup>1</sup> These “temporarily restricted net assets” included restricted funds donated to USAJ by Claimant.

<sup>2</sup> Upon information and belief, this was not a “grant,” but rather, was a loan from American Judo Fund to USAJ.

“The CEO is also affiliated with the Pan-American Judo [Con]Federation, which has financial transactions with the Organization through their participation in events and as a customer. During the fiscal year ending December 31, 2013, Pan American Judo [Con]Federation paid the organization approximately \$5,800 in related fees.”

j) The Draft 2013 Financial Statements included a “Note 13 – Related Party Transactions,” which stated in pertinent part as follows: “The CEO is also a principle of USA Sports Production Management Inc., which purchased gis from USAJ for approximately \$9,600 and subsequently sold them for an undisclosed amount.”

k) The Draft 2013 Financial Statements included a “Note 13 – Related Party Transactions,” which stated in pertinent part as follows: “A board member of the Organization is a high ranking official in Dollamur Sport Surfaces. The Organization purchased Mats and other equipment totaling approximately \$37,000 during fiscal year 2013.”<sup>3</sup>

l) The Draft 2013 Financial Statements included a “Note 15 – Subsequent Events,” which stated in pertinent part as follows: “The American Judo Fund provided a loan for approximately \$300,000 in fiscal year 2014. The funds were used to pay down accounts payable and effectively moved liabilities from short term to long term debt.”<sup>4</sup>

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<sup>3</sup> Upon information and belief, these mats have never been listed as assets on any USAJ financial documents.

<sup>4</sup> It is unclear if the reference to a 2014 loan in a 2013 document is a typographical error or something else.

20. The Final document titled “United States Judo, Inc. Financial Statements and Additional Information With Independent Auditors’ Reports Year Ended December 31, 2013 [hereinafter “Final 2013 Financial Statements”] was recently posted to USAJ’s website. A true and correct copy of the Final 2013 Financial Statements is attached hereto as Exhibit 15 and incorporated herein by reference. The Final 2013 Financial Statements showed, *inter alia*, the following:

a) Consistent with the Draft 2013 Financial Statements, that USAJ’s total assets had decreased by over 40% in one year, from \$190,148 to \$110,826;

b) That USAJ’s total current liabilities had increased by over 30% in one year, from \$462,702 (which was different from the Draft 2013 Financial Statements) to \$639,110 (which was different from the Draft 2013 Financial Statements), which increase included “cash advances” of \$110,000;

c) Consistent with the Draft 2013 Financial Statements, the Final 2013 Financial Statements included a “Note 2 – Going Concern Matters,” which stated in pertinent part as follows: “Management has evaluated the Organization’s ability to continue as a going concern.”

d) The Final 2013 Financial Statements included a “Note 5 – Accounts Payable,” which stated as follows: “As of December 31, 2013, accounts payable of \$99,367 and accounts payable – related party of \$39,436

was at least 90 days past due,” figures that differed from the Note 5 in the Draft 2013 Financial Statements.

e) The Final 2013 Financial Statements included a “Note 9 – Cash Advances – Related Parties,” which was consistent with Note 9 in the Draft 2013 Financial Statements and stated in pertinent part as follows: “The Organization entered into short-term borrowing arrangements with individual related parties, and other individuals and organizations affiliated with the organization. The Organization paid a flat 10% of interest on the cash advances without regard to the number of days the advance was outstanding. The cash advances were made under verbal agreements.” The “Weighted Avg. APR” for these cash advances were reported in the 2013 Financial Statements to be as high as 277%.

f) The Final 2013 Financial Statements included a “Note 13 – Related Party Transactions,” which stated in pertinent part as follows: “The American Judo Fund was created in 2007, by the Board of the Organization, to provide support and foster the development of Judo competitors in the United States ... During fiscal year 2013 the American Judo Fund granted \$170,000 to the Organization ... The American Judo Fund provides a significant source of liquidity through financing activities and revenues in the form of contributions. The American Judo Fund represents a concentration risk to the Organization.” The \$170,000 value differed from that stated in the Draft 2013 Financial Statements by \$20,000.00.



g) Consistent with the Draft 2013 Financial Statements, the Final 2013 Financial Statements included a “Note 13 – Related Party Transactions,” which stated in pertinent part as follows: “Starting in October 2013, the Chief Executive Officer (CEO) for the Organization became affiliated with the International Judo Federation (IJF) as a Development Director ... The CEO is compensated approximately \$14,000 in a stipend and reimbursed for any travel expenses incurred in the position.”

h) Consistent with the Draft 2013 Financial Statements, Final 2013 Financial Statements included a “Note 13 – Related Party Transactions,” which stated in pertinent part as follows: “The CEO is also affiliated with the Pan-American Judo Federation, which has financial transactions with the Organization through their participation in events and as a customer. During the fiscal year ending December 31, 2013, Pan American Judo Federation paid the organization approximately \$5,800 in related fees.” The Final 2013 Financial Statements added the following: “The CEO has resigned his position from the Pan-American Judo Federation effective October 1, 2014 to alleviate any possible conflicts of interest.”<sup>5</sup>

i) Consistent with the Draft 2013 Financial Statements, Final 2013 Financial Statements included a “Note 13 – Related Party Transactions,” which stated in pertinent part as follows: “The CEO is also a principle of USA Sports Production Management Inc., which purchased

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<sup>5</sup> Upon information and belief, the President of the Pan-American Judo Federation was unaware, as of at least November 2014, of this reported resignation by Mr. Rodriguez.

merchandise from USAJ for approximately \$5,500 and subsequently sold the merchandise to the Pan-American Judo Federation for an undisclosed amount.” The amount stated herein differed from the Draft 2013 Financial Statements.

j) Substantially consistent with the Draft 2013 Financial Statements, Final 2013 Financial Statements included a “Note 13 – Related Party Transactions,” which stated in pertinent part as follows: “A board member of the Organization is a high ranking official in Dollamur Sport Surfaces. The Organization was responsible for paying shipping costs for the use of mats and other equipment from Dollamur for domestic hosted events totaling approximately \$37,000 during fiscal year 2013.”

k) Substantially consistent with the Draft 2013 Financial Statements, Final 2013 Financial Statements included a “Note 17 – Subsequent Events,” which stated in pertinent part as follows: “The American Judo Fund provided a loan for approximately \$300,000 in fiscal year 2014. The funds were used to pay down accounts payable and effectively moved liabilities from short term to long term debt.” Upon information and belief, none of the board members who served on the boards of both the American Judo Fund and USAJ abstained or otherwise recused themselves from the voting on the approval of this loan.

21. Also on September 19, 2014, USAJ sent to Claimant a “draft” letter from USAJ’s CPA [hereinafter “Draft CPA Letter”]. A true and correct

copy of the Draft CPA letter is attached hereto as Exhibit 16 and incorporated herein by reference. The Draft CPA Letter stated, *inter alia*, the following:

a) “The current internal control documentation is in conflict with the most recent bylaws. Per the Organization’s bylaws, it is the responsibility of the Board to review and approve any debt facilities entered into by the Organization ... Currently, the in force control documentation gives signature authority to the CEO for contracts up to \$50,000 and not lasting more than [a] year.”

b) “During the year, the organization engaged in short term loans with related parties. Although the CEO has the implied authority, and under certain interpretations the actual authority, to enter into these contracts per the current written policies and procedures, the Board was not involved in the decision ... the bylaws relegate debt structuring exclusively to the Board.”

c) “In addition to the issue of authority to enter into transactions, the debt structuring was with related parties. Any transaction with related parties should be fully disclosed and approved by the Board to guard against management override of internal controls and to establish full disclosure of the facts and circumstances.”

e) “Based upon the results of our Audit, the Organization has a lack of controls, which are material to overall fiscal management.”

f) “Our audit procedures revealed that there is no systematic method of ensuring that timely and complete monthly reconciliation and closing procedures take place ... This accounting function disorganization will ultimately cause significant errors in the financial records and financial statements as well as allow possible irregularities, **including fraud**, to exist and continue without notice" [emphasis added]

g) “As of December 31, 2013, the unrestricted class of net assets had a deficit balance. For the past few years, the Organization has incurred significant losses in its operations. This poor financial position has caused the financial statements to include a going-concern disclosure. The Organization does not appear to have enough cash/cash equivalents/current assets to meet its temporarily restricted obligations. This situation must improve if the organization is to survive into the future.”

h) “We recommend that the Organization adequately document any transactions that the IRS could deem as an excess benefit. Compensation decisions for highly paid employees should be approved by the Board or a committee that is independent and outside of the disqualified person’s control.”

h) “Our audit procedures disclosed that minutes of the meetings of Executive Sessions are not maintained. As a result, there is no assurance regarding the discussion that may have taken place a meeting of

the committee, and likewise, no evidence regarding official actions of the committee that may have had a financial impact.”

i) “We noted that the Organization does not have a formal policy regarding conflicts of interest. In recent years, issues of conflicts have become much more visible.”<sup>6</sup>

22. On September 22, 2014, Jose Rodriguez provided his first partial response to the questions raised in Claimant’s August 28, 2014 request for additional documentation [hereinafter “September 22, 2014 Rodriguez Response”]. A true and correct copy of the September 22, 2014 Rodriguez Response, including attachments, is attached hereto collectively as Exhibit 17 and incorporated herein by reference. The September 22, 2014 Rodriguez Response confirms, among other things, that Jose Rodriguez was allowed to buy gis from USAJ and then sell them at a profit, which profit was realized by USA Sports Production Management Inc. and not by USAJ. There is no evidence that this corporate opportunity was first presented to the organization's board and properly rejected before being taken up by Jose Rodriguez.

23. On September 28, 2014, Jose Rodriguez provided his second partial response to the questions raised in Claimant’s August 28, 2014 request for additional documentation [hereinafter “September 28, 2014 Rodriguez Response”]. A true and correct copy of the September 28, 2014

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<sup>6</sup> Despite this representation, USAJ did have a Conflict of Interest policy that was routinely ignored by its Board members and executive staff.

Rodriguez Response, including attachments, is attached hereto as Exhibit --- and incorporated herein by reference.

24. On September 29, 2014, Jose Rodriguez provided his third partial response to the questions raised in Claimant's August 28, 2014 request for additional documentation [hereinafter "September 29, 2014 Rodriguez Response"]. A true and correct copy of the September 29, 2014 Rodriguez Response, including attachments, is attached hereto collectively as Exhibit 18 and incorporated herein by reference.

25. On November 17, 2014, Jose Rodriguez provided his fourth partial response to the questions raised in Claimant's August 28, 2014 request for additional documentation [hereinafter "November 17, 2014 Rodriguez Response"]. A true and correct copy of the November 17, 2014 Rodriguez Response, including attachments, is attached hereto collectively as Exhibit 19 and incorporated herein by reference.

#### COMPLAINT #2

26. On or about September 22, 2014, Claimant filed a new Complaint with USAJ (a true and correct copy of which is attached hereto as Exhibit 20 and incorporated herein by reference), due to the fact that the composition of USAJ's Nominating Committee violated USAJ's own Bylaws, in that all four (4) members of USAJ's Nominating Committee had served more than four (4) consecutive terms, in violation of Art. 9.12(d) of the USAJ Bylaws.

## CLAIMANT'S ADDITIONAL INQUIRIES

27. On January 8, 2015, Claimant made certain inquiries to USAJ regarding the status and accounting of her restricted contribution to USAJ. Claimant's January 8, 2015 email inquiry, as well as USAJ's responses, are attached collectively as Exhibit 21 and incorporated herein by reference.

28. Based on all of the foregoing, Claimant contends that she has exhausted the available administrative remedies, as required by Section 10 of the USOC Bylaws.

29. In the alternative, Claimant submits that given the lengthy procedural history as outlined above, any requirement that Claimant pursue additional administrative grievance procedures would result in unnecessary delay, which delay would damage the administration of the Sport of Judo in the United States, impede the growth of this Olympic sport in the United States and damage the training and growth of the athletes who are under the supervision and control of USAJ. Claimant has pursued this Complaint through the USAJ grievance procedures for nearly nine months, and it is evident that USAJ has no intention to take any more substantive steps in relation to the April 2014 Thursby Complaint. Therefore, Claimant submits that it is time for an impartial body – namely the United States Olympic Committee – to truly address the numerous and serious issues raised in April 2014 Thursby Complaint, which are further addressed below.

### **III. SELF-DEALING / CONFLICT OF INTEREST ISSUES, AND USAJ'S FAILURE TO ADEQUATELY RESPOND OR ADDRESS THEM**

30. USAJ's Chief Executive Officer, Jose Rodriguez, owned, was a part owner in, or was an executive for, a number of other entities that were involved in the sport of judo and/or did business with USAJ:

a) At all material times, Jose Rodriguez was Vice President of South Florida International Games Corp. USAJ promoted the South Florida International Games to its members through newsletters, without any disclosure that Jose Rodriguez was a principal in the organization that owned and operated the South Florida International Games.

b) At all material times, Jose Rodriguez was a principal of USA Sports Production Management, Inc., an organization that sold judo Gis to the Pan American Judo Confederation (hereinafter "PJC") a regional organization within the International Judo Federation (hereinafter "IJF"), the recognized International Federation for the sport of judo. Mr. Rodriguez's business relationship with the PJC creates a conflict of interest for him as the CEO of USAJ. Furthermore, Mr. Rodriguez' ownership of USA Sports Production Management, Inc., violates USAJ's own Statement of Principles, Ethical Behavior, Non-Disclosure and Conflict of Interest<sup>7</sup>, as well as the

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<sup>7</sup> "All groups and persons who choose to serve USAJ, DBA USAJ, whether as volunteers or paid employees, are held to the highest standards of conduct and are accountable for any acts in violation of this agreement. As guardians and custodians of Olympic ideals they assume an obligation to subordinate individual interests to the interest of the Olympic movement. What may be considered acceptable conduct in some businesses may be inappropriate in Olympic service and in service to USAJ. Those who serve USAJ must do so without personal gain ... It is important to avoid any real conflict of interest as well as to avoid even the appearance of a conflict of interest ... the principles which guide behavior in this area are



ethical standards that the USOC<sup>8</sup> expects of itself and its National Governing Bodies (hereinafter “NGB”).

c) Jose Rodriguez has been a business partner with Jhonny Prado in numerous judo-related entities, while at the same time serving as CEO of USAJ. Mr. Prado is a judo coach, and owner of the “Ki-Itsui-Sai National Training Center” in Florida and the “USA Judo National Training Site,” and has been allowed by Mr. Rodriguez and by USAJ to create a false and misleading association between his training centers and USAJ.

31. With respect to the South Florida International Games Corp.:

a) Jose Rodriguez responded in pertinent part as follows:  
“The South Florida International Senior Games is an effort to bring back to South Florida the concept of Senior Games. This event will include Judo for Veterans for the region of the Caribbean and the Americas It is also an opportunity for me to have a long term continuing involvement in the sports business once I retire from my job in USAJ.” This response does not address the fact that Jose Rodriguez stood to gain financially from the South Florida International Senior Games, and that USAJ’s promotion of this event therefore created a conflict of interest.

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disclosure, physical absence and non-participation in the decision-making process where personal or family gain is a possibility ... Conflict of interest shall include but not be limited to conditions where a member, businesses of members, or family are enhanced in financial means, position, gift, or services, that would not be accessible in the absence of the member affiliation and service to USAJ, in any capacity.”

<sup>8</sup> For example, the USOC Conflict of Interest Policy [attached as Exhibit --- and incorporated herein by reference], provides, *inter alia*, as follows: “Potential conflicts of interest that should be disclosed, include, but are not limited to You own a business, maintain a second job or provide goods or services under a provider, contractor or consulting agreement and the business outside the USOC that you are involved with provides goods or services to the USOC or any NGB.”

b) The TSE Consulting Report stated in pertinent part as follows: “USAJ should be notified of any corporate affiliations of its executive staff, including but not limited to its CEO, and approve such relationships before they are made. Notification and approval is especially significant for companies that are engaged in sport-related commerce, particularly those associated with the sport of judo.” The TSE Consulting Report in no way addressed the actual conflict of interest created by USAJ’s promotion of an event from which its CEO stood to personally gain financially.

32. With respect to USA Sports Production Management, Inc.:

a) Jose Rodriguez responded in pertinent part as follows:

“This company sold to the PanAmerican Judo Confederation several orders of Judo gis ... I did this on my own time and I made a little bit of money while saving the PJC a good deal of money. Those making the decision to purchase these gis had it clear in their mind that the price I quoted them was a good price for them and that they were buying it from me.” Furthermore, the September 22, 2014 Rodriguez Response and the September 28, 2014 Rodriguez Response both confirm that Jose Rodriguez was allowed to buy gis from USAJ and then sell them at a profit, which profit was realized by USA Sports Production Management Inc. and not by USAJ. Mr. Rodriguez has admitted a clear conflict of interest, as the CEO of a national Governing Body should not at the same time be involved in the ownership of other entities from which he makes personal financial gains through sales of sports

equipment in the same sport. Compare, for example, <http://www.nytimes.com/2003/03/02/us/chief-of-us-olympic-committee-quits-amid-a-furor-over-ethics.html> ["On Jan. 13, one day after he was privately asked to resign, the executive committee agreed with an ethics panel's finding that [former USOC CEO Lloyd Ward] had "created the appearance of a conflict of interest" by directing a staff member to advance a plan by his brother and a friend to provide backup power to the upcoming Pan American Games in the Dominican Republic. Five Olympic officials, including the chief ethics officer, Patrick Rodgers, resigned within a few days."]. USAJ has taken no effective action to discipline or even address Mr. Rodriguez' admitted conflict of interest.

b) The TSE Consulting Report stated in pertinent part as follows: "While it is not improper to have corporate affiliations simultaneous to holding a nonprofit organization executive position, it is important that such affiliations are carefully vetted to ensure that there are no conflicts of interest, or apparent conflicts of interest, between the corporate and nonprofit leadership roles and responsibilities ... Additionally, because some of the activities of these companies relate specifically to the sport of judo, there is the possibility that sales activity with USAJ vendors, suppliers, sponsors, or affiliated organizations may create the appearance of conflict of interest ... USAJ should be notified of any corporate affiliations of its executive staff, including but not limited to its CEO, and approve such

relationships before they are made.” The TSE Consulting Report in no way addresses Mr. Rodriguez’ admitted conflict of interest nor does it comment on whether there was, in fact, approval by the USAJ Board of these conflict transactions. Furthermore, TSE Consulting, which purports to be an expert on Olympic Governance and ethics issues in the United States, does not even attempt to differentiate the finding by the USOC that Lloyd Ward’s less-egregious conflict of interest "created the appearance of a conflict of interest" which was a significant factor in the USOC’s decision to exert pressure on Lloyd Ward to resign as CEO of the USOC. In fact, the differences in the USOC’s approach to Lloyd Ward’s conflict of interest as compared to USAJ’s approach to Jose Rodriguez’ conflict of interest are striking and cannot be reconciled.

c) The Draft 2013 Financial Statements reported that “The CEO [of USAJ] is also a principle of USA Sports Production Management Inc., which purchased gis from USAJ for approximately \$9,600 and subsequently sold them for an undisclosed amount.”

#### **IV. MANAGERIAL ISSUES, AND USAJ’S FAILURE TO ADEQUATELY RESPOND OR ADDRESS THEM**

33. USAJ’s financial documents raise serious issues regarding the managerial capability of USAJ’s Board and its officers:

a) USAJ provided two different sets of accounts payable to Claimant within a short time-frame, which differed by \$124,000;

- b) USAJ has, upon information and belief, manipulated financial statements to make USAJ appear to be in a better financial situation than its actual financial situation;
- c) The 2013 Financial Statements reported that USAJ's total assets had decreased by over 40% in one year;
- d) The 2013 Financial Statements reported that USAJ's total current liabilities had increased by over 30% in one year;
- e) The 2013 Financial Statements reported that "Management has evaluated [USAJ's] ability to continue as a going concern";
- f) The Draft 2013 Financial Statements reported that "[USAJ] obtained short term financing. Based on the effective interest rate charged on the short term advances and the nature of some of the related party transactions, there may be potential liabilities related to IRS, payroll tax, and state statute regulations. The Final 2013 Financial Statements confirmed that these short term financing transactions, in some instances, resulted in an effective APR of as much as 277%. Management has not accrued any liabilities relating to these contingencies as the likelihood of an adverse ruling and the costs associated with an adverse ruling cannot be reasonably calculated ... As of December 31, 2013, [USAJ] is not in substantial compliance with the compensating balance requirements for temporarily restricted net assets."

g) The Final 2013 Financial Statements reported that “During fiscal year 2013 the American Judo Fund granted \$170,000 to [USAJ] ... The American Judo Fund represents a concentration risk to [USAJ].”

h) The Final 2013 Financial Statements reported that “The American Judo Fund provided a loan [to USAJ] for approximately \$300,000 in fiscal year 2014. The funds were used to pay down accounts payable and effectively moved liabilities from short term to long term debt.”

i) the Draft and Final 2013 Financial Statements contained significant variances in the reporting of certain income, expenses, and other financial issues, which variances have not been and cannot be explained.

j) The Draft CPA Letter reported that there were issues with the manner in which USAJ engaged in short term loans with related parties.

k) The Draft CPA Letter reported that “[USAJ] has a lack of controls, which are material to overall fiscal management.”

l) The Draft CPA Letter reported that “[USAJ has] no systematic method of ensuring that timely and complete monthly reconciliation and closing procedures take place ... This accounting function disorganization will ultimately cause significant errors in the financial records and financial statements as well as allow possible irregularities, **including fraud**, to exist and continue without notice.” [emphasis added]

m) The Draft CPA Letter reported that “For the past few years, [USAJ] has incurred significant losses in its operations. This poor financial position has caused the financial statements to include a going-concern disclosure. The Organization does not appear to have enough cash/cash equivalents/current assets to meet its temporarily restricted obligations.”

n) The Draft CPA Letter reported possible documentation issues with excess benefit transactions;

o) The Draft CPA Letter reported that “minutes of the meetings of [USAJ’s] Executive Sessions are not maintained. As a result, there is no assurance regarding the discussion that may have taken place At a meeting of the committee, and likewise, no evidence regarding official actions of the committee that may have had a financial impact.”

p) USAJ has failed to keep restricted funds segregated, and has failed to maintain sufficient funds to meet restricted fund commitments.

q) Upon information and belief, other revenues that belonged or should have belonged to USAJ have been usurped by USA Sports Production Management Inc. and other entities affiliated with Mr. Rodriguez

34. Jose Rodriguez has responded to these inaccuracies by: conceding deficiencies in these areas; by somehow trying to criticize Claimant for raising these issues; by claiming that the USAJ financial documents have

been somehow approved by the USOC; and by claiming that the proper solution is an audit to be conducted at the USOC's expense.

35. The TSE Consulting Report stated in pertinent part as follows: "USAJ should utilize the services of Osborne, Parsons & Rosacker, LLC, under the guidance of the Chairman of the USAJ Audit Committee, to review the specific suggestions put forward by Ms. Wooldridge-Thursby to determine their merit." In other words, the TSE Consulting Report (and by extension USAJ) made no findings whatsoever with respect to these allegations, effectively conceding its lack of financial expertise.

36 In addition, USAJ has repeatedly and consistently failed to nominate, appoint and maintain its Nominating Committee as required by its own Bylaws.

37. The depth and breadth of the management issues at USAJ, which have caused serious and numerous warnings to be issued regarding the ongoing viability of USAJ, reveal an ongoing, serious management issue that, it is respectfully submitted, can only be cured by either (i) decertifying USAJ as the NGB to allow a competent organization to be inserted in its place; or (ii) a complete overhaul of USAJ, such that the management and leadership that created or permitted the numerous financial and managerial deficiencies are no longer in such positions of leadership and/or control.

## **VI. USAJ HAS FAILED TO BE FINANCIALLY AND OPERATIONALLY TRANSPARENT AND ACCOUNTABLE TO ITS**



**MEMBERS AND TO THE CORPORATION, AS REQUIRED BY  
ARTICLE 8.7 (M) OF THE USOC BYLAWS**

38. Article 8.7 (l) of the USOC Bylaws requires USAJ, as the recognized NGB for the sport of judo, to “be financially and operationally transparent and accountable to its members and to the corporation.”

39. USAJ has failed to fulfill its duties under Article 8.7 (l) of the USOC Bylaws to its members and to judo, as follows:

a) it has failed to post its most recent IRS Form 990 on its website, as discussed further at section XII below;

b) it has failed to adequately explain the discrepancies in its financial records, as explained at Section V above and in the April 2014 Thursby Complaint [attached hereto as Exhibit 1 and incorporated herein by reference];

c) while it has conceded deficiencies in its financial documents, it has failed to do anything to correct them or to enact structural changes to address these deficiencies;

d) it has allowed its CEO, Jose Rodriguez, to engage in ongoing self-dealing and conflicts of interest, in that Mr. Rodriguez acts as the CEO of USAJ while at the same time conducting judo-related businesses from which he receives personal, financial benefits which should properly belong to USAJ; all in violation of the USOC’s ethical expectations of its

NGB's and in violation of USAJ's own Statement of Principles, Ethical Behavior, Non-Disclosure and Conflict of Interest;

e) it has failed to keep restricted funds segregated, and has failed to maintain sufficient funds to meet restricted funds commitments

f) it has repeatedly and consistently failed to nominate, appoint and maintain its Nominating Committee as required by its own Bylaws; and

g) despite an ongoing, serious management issue that threatens the viability of USAJ as an organization, as outlined at par. 33 above, it has taken no steps to replace the management and leadership that created the numerous financial and managerial deficiencies, and has in fact impeded any efforts to change its management and/or leadership.

40. USAJ has concluded its investigation of the April 2014 Thursby Complaint without making any managerial or leadership changes whatsoever; and has concluded its investigation of the April 2014 Thursby Complaint with regard to Mr. Rodriguez' self-dealing and conflicts of interest without taking any steps to remedy this serious and ongoing situation.

41. For the foregoing reasons, USAJ has failed to fulfill its obligations under Article 8.7 (l) of the USOC Bylaws as the NGB for the sport of judo.

**VII. USAJ HAS FAILED TO MAINTAIN ACCURATE ACCOUNTING RECORDS IN ACCORDANCE WITH ACCOUNTING PRINCIPLES**

**GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA  
(GAAP), AS REQUIRED BY ARTICLE 8.7 (N) OF THE USOC BYLAWS**

42. Article 8.7 (n) of the USOC Bylaws requires USAJ, as the recognized NGB for the sport of judo, to “maintain accurate accounting records in accordance with accounting principles generally accepted in the United States of America (GAAP).”

43. By failing to adequately explain the discrepancies in its financial records, as explained at Section V above and in the April 2014 Thursby Complaint [attached hereto as Exhibit 1 and incorporated herein by reference], USAJ has failed to demonstrate that its accounting records are accurate in accordance with accounting principles generally accepted in the United States of America applied on a consistent basis (GAAP).

44. Despite an ongoing, serious management issue that threatens the viability of USAJ as an organization, and as outlined at par. 33 above, it has taken no steps to replace the management and leadership that created the numerous financial and managerial deficiencies and permitted them to continue unabated.

45. USAJ has concluded its investigation of the April 2014 Thursby Complaint without making any operational, managerial or leadership changes whatsoever.

46. For the foregoing reasons, USAJ has failed to fulfill its obligations under Article 8.7 (n) of the USOC Bylaws as the NGB for the sport of judo.

**VIII. USAJ HAS FAILED TO DEMONSTRATE THE MANAGERIAL AND FINANCIAL CAPABILITY TO PLAN AND EXECUTE ITS OBLIGATIONS, AS REQUIRED BY SECTION 220522 (2) OF THE TSOASA**

47. Section 220522 (2) of the TSOASA requires USAJ, as the recognized NGB for the sport of judo, to “[have] the managerial and financial capability to plan and execute its obligations.”

48. USAJ’s financial documents raise serious issues regarding the managerial capability of USAJ, as outlined at par. 33 above (which is incorporated herein by reference).

49. Jose Rodriguez has responded to these inaccuracies by: conceding deficiencies in these areas; by somehow trying to criticize Claimant for raising these issues; by claiming that the USAJ financial documents have been somehow approved by the USOC; and by claiming that the proper solution is an audit to be conducted at the USOC’s expense.

50. Rather than making findings concerning the areas for which it was retained and making specific recommendations with respect to the allegations in the Thursby Complaint, the TSE Consulting Report stated in pertinent part as follows: “USAJ should utilize the services of Osborne,

Parsons & Rosacker, LLC, under the guidance of the Chairman of the USAJ Audit Committee, to review the specific suggestions put forward by Ms. Wooldridge-Thursby to determine their merit.” In other words, TSE Consulting Report (and by extension USAJ), effectively conceded its lack of expertise to accomplish the assessment for which it was retained.

51. In addition, USAJ has repeatedly and consistently failed to nominate, appoint and maintain its Nominating Committee as required by its own Bylaws.

52. The depth and breadth of the management issues at USAJ, which have caused serious and numerous warnings to be issued regarding the ongoing viability of USAJ, reveal an ongoing, serious management issue that, it is respectfully submitted, can only be cured by either (i) decertifying USAJ as the NGB to allow a competent organization to be inserted in its place; or (ii) mandating a complete overhaul of USAJ, such that the management and leadership that created the numerous financial and managerial deficiencies are no longer in such positions of leadership and/or control.

53. Furthermore, by allowing its CEO, Jose Rodriguez, to engage in self-dealing and conflicts of interest, in that Mr. Rodriguez acts as the CEO of USAJ while at the same time conducting judo-related businesses from which he or his affiliates receive personal, financial benefits (all in violation of the USOC’s ethical expectations of its NGB’s and in violation of USAJ’s own

Statement of Principles, Ethical Behavior, Non-Disclosure and Conflict of Interest), USAJ has failed to demonstrate the managerial and financial capability to plan and execute its obligations as an NGB.

54. USAJ has concluded its investigation of the April 2014 Thursby Complaint with regard to the financial and accounting practices of USAJ without making any operational, managerial or leadership changes whatsoever and has concluded its investigation of the April 2014 Thursby Complaint with regard to Mr. Rodriguez' self-dealing and conflicts of interest without taking any steps to remedy this serious situation.

55. For the foregoing reasons, USAJ has failed to fulfill its obligations under Section 220522 (2) of the TSOASA.

**IX. USAJ HAS FAILED TO BE RESPONSIBLE TO THE PERSONS AND AMATEUR SPORTS ORGANIZATIONS IT REPRESENTS, AS REQUIRED BY SECTION 220524 (1) OF THE TSOASA**

56. Section 220524 (1) of the TSOASA requires USAJ, as the recognized NGB for the sport of judo, to "be responsible to the persons and amateur sports organizations it represents."

57. By allowing its CEO, Jose Rodriguez, to engage in self-dealing and conflicts of interest, in that Mr. Rodriguez acts as the CEO of USAJ while at the same time conducting judo-related businesses from which he or his affiliates receive personal, financial benefits (all in violation of the USOC's ethical expectations of its NGB's and in violation of USAJ's own

Statement of Principles, Ethical Behavior, Non-Disclosure and Conflict of Interest), USAJ has failed to represent the persons and Amateur Sports Organizations that it represents as an NGB.

58. USAJ has concluded its investigation of the April 2014 Thursby Complaint with regard to Mr. Rodriguez' self-dealing and conflicts of interest without taking any steps to remedy this serious situation. In addition, USAJ has concluded its investigation of the April 2014 Thursby Complaint with regard to the financial and accounting practices of USAJ (outlined at par. 33 above and incorporated herein by reference) without making any operational, managerial or leadership changes whatsoever.

59. In addition, USAJ has repeatedly and consistently failed to nominate, appoint and maintain its Nominating Committee as required by its own Bylaws.

60. For the foregoing reasons, USAJ has failed to fulfill its obligations under Section 220524 (1) of the TSOASA.

**X. USAJ HAS FAILED TO KEEP AMATEUR ATHLETES INFORMED OF POLICY MATTERS, AS REQUIRED BY SECTION 220524 (3) OF THE TSOASA**

61. Section 220524 (3) of the TSOASA requires USAJ, as the recognized NGB for the sport of judo, to "keep amateur athletes informed of policy matters."

62. USAJ has never informed its amateur athletes of its policy decision to allow its CEO, Jose Rodriguez, to engage in self-dealing and conflicts of interest, in that Mr. Rodriguez acts as the CEO of USAJ while at the same time conducting judo-related businesses from which he or his affiliates receive personal, financial benefits (all in violation of the USOC's ethical expectations of its NGB's and in violation of USAJ's own Statement of Principles, Ethical Behavior, Non-Disclosure and Conflict of Interest), USAJ has failed to represent the persons and Amateur Sports Organizations that it represents as an NGB.

63. USAJ has concluded its investigation of the April 2014 Thursby Complaint with regard to Mr. Rodriguez' self-dealing and conflicts of interest without taking any steps to remedy this serious situation. In addition, USAJ has concluded its investigation of the April 2014 Thursby Complaint with regard to the financial and accounting practices of USAJ (as outlined at par. 33 above and incorporated herein by reference) without making any operational, managerial or leadership changes whatsoever.

64. In addition, USAJ has repeatedly and consistently failed to nominate, appoint and maintain its Nominating Committee as required by its own Bylaws.

65. For the foregoing reasons, USAJ has failed to fulfill its obligations under Section 220524 (3) of the TSOASA.



**XI. USAJ HAS FAILED TO DEMONSTRATE THAT IT IS  
AUTONOMOUS IN THE GOVERNANCE OF ITS SPORT, AS  
REQUIRED BY SECTION 220522 (5) OF THE TSOASA**

66. Section 220522 (5) of the TSOASA requires USAJ, as the recognized NGB for the sport of judo, to “demonstrates that it is autonomous in the governance of its sport, in that it - (A) independently decides and controls all matters central to governance; (B) does not delegate decision-making and control of matters central to governance; and (C) is free from outside restraint.

67. As stated above, The American Judo Fund was created in 2007, by the board of USAJ. At the time of its creation, all of the members of the Board of Directors of the American Judo Fund were also members of the Board of Directors of USAJ. However, the American Judo Fund is not and has never been formally related to USAJ; and there is no requirement that the Directors or Officers of the American Judo Fund have any relationship with USAJ. Nevertheless, since its creation, USAJ has transferred significant assets to the American Judo Fund, including a one-time grant from USAJ to the American Judo Fund in 2007 in the amount of \$2,480,000, under the guise of reducing the assets of USAJ that could be subject to judgment or attachment. The result of USAJ’s transfer of assets to the American Judo Fund is that USAJ has consistently had to “borrow” money from the American Judo Fund, and pay interest to the American Judo Fund

for “borrowing” money that it had previously transferred to the American Judo Fund.

68. USAJ, in assigning certain of its assets to American Judo Fund, no longer controls all matters central to its governance; and has delegated control of matters central to governance. Significantly, and despite the fact that USAJ funded the American Judo Fund with a one-time grant in 2008 in the amount of \$2,480,000, the American Judo Fund advised the Internal Revenue Service in January 2008 that USAJ “has no control over the disposition of the funds it contributed to [the] American Judo [Fund].”

69. For the foregoing reasons, USAJ has failed to fulfill its obligations under Section 220522 (5) of the TSOASA.

**XII. USAJ HAS FAILED TO POST REQUIRED FINANCIAL DOCUMENTS ON ITS WEBSITE, AS REQUIRED BY ARTICLE 8.7 (R) OF THE USOC BYLAWS**

70. Article 8.7 (r) of the USOC Bylaws requires USAJ, as the recognized NGB for the sport of judo, to “post on its website its IRS Form 990 for the three most recent years.”

71. The most recent IRS Form 990 posted on USAJ’s website is from the 2012 fiscal year [see <http://www.teamusa.org/USA-Judo/About-Us/Governance/Financials>].

72. For the foregoing reasons, USAJ has failed to fulfill its obligations under Article 8.7 (r) of the USOC Bylaws.

**XIII. USAJ HAS FAILED TO MAINTAIN AT LEAST 20% ATHLETE REPRESENTATION ON “DESIGNATED COMMITTEES,” AS REQUIRED BY ARTICLE 8.8 OF THE USOC BYLAWS**

73. Article 8.8 of the USOC Bylaws requires USAJ, as the recognized NGB for the sport of judo, maintain at least 20% Athlete Representation on “Designated Committees,” which is defined as “nominating and budget committees, panels empowered to resolve grievances and committees that prepare, approve or implement programs in the following areas: (a) expenditures of funds allocated to NGBs by the corporation; and (b) selection of international, Olympic, Paralympic and Pan American Games Team members including athletes, coaches, administrators and sports staff.”

74. USAJ’s current Judicial Committee fails to meet this 20% Athlete Representative Requirement.

75. USAJ’s current Ethics Committee fails to meet this 20% Athlete Representative Requirement.

76. For the foregoing reasons, USAJ has failed to fulfill its obligations under Article 8.8 of the USOC Bylaws.

**XIV. REQUEST FOR RELIEF**

77. WHEREFORE, Claimants pray the judgment, order and decree of this USOC Tribunal be as follows:

a. That USAJ’s status as the NGB for the sport of judo be revoked, pursuant to Sections 10.18 – 10.18 of the USOC Bylaws;

b. That a new NGB to be recognized by the USOC for the sport of judo;

c. That USAJ be required to pay all costs incurred by Claimants in bringing this action; and

d. For such other and further relief as this USOC Tribunal deems just and equitable.

78. Alternatively, Claimants pray the judgment, order and decree of this USOC Tribunal be as follows:

a. That USAJ be placed on probation for a period not to exceed 180 days and require as a condition of that probation that USAJ comply with the USOC Bylaws and the TSOASA;

b. That USAJ be required to pay all costs incurred by Claimants in bringing this action; and

c. For such other and further relief as this USOC Tribunal deems just and equitable.

79. In addition, Claimants request an evidentiary hearing on this Complaint, pursuant to Section 10.17 of the USOC Bylaws.

80. Claimant reserves the right to request that the Hearing Panel

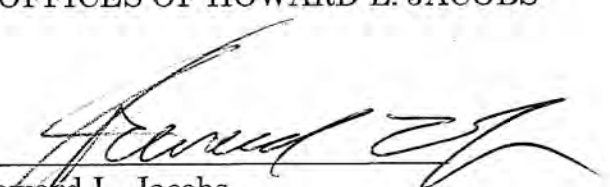
order the exchange of information, pursuant to Section 10.15 of the USOC  
Bylaws.

RESPECTFULLY SUBMITTED,

DATED: February 20, 2015

LAW OFFICES OF HOWARD L. JACOBS

By: \_\_\_\_\_

  
Howard L. Jacobs

Attorneys for CLAIMANT