

Koch Reacts: Orchestrated Votes at Cato Board Meeting Reveal True Intent of Cato Management

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WICHITA, Kan., March 22, 2012 /PRNewswire/ -- In a Cato Institute board meeting held this afternoon, actions orchestrated and implemented by Cato management demonstrated their strategy and intent to wrest meaningful involvement in the organization away from shareholders Charles Koch and David Koch.

In an attempt to execute their own takeover plan, Cato's chairman, Bob Levy, sent critical board resolutions to board members last night at approximately 9:30 p.m. Eastern, subsequently demanding a vote on each resolution the next day. At today's board meeting, board members supportive of Ed Crane voted as a block to change the bylaws and reinstate four past board members.

Along with the vote, Cato management pushed through a resolution for the formation of a special litigation committee, refusing to include current Cato board members, former United States Solicitor General Ted Olson and Judge Andrew Napolitano, for membership on the committee.

According to Charles Koch, co-founder of Cato Institute, "The actions taken by Cato's management are intended to assert their domination of Cato, exclude those who are not supportive of Cato's CEO, and gut the intent of the shareholder agreement. That is why we filed the declaratory judgment in Kansas seeking to confirm the meaning of Cato's governing documents. We have consistently sought to resolve our differences in a constructive manner. Today's actions of Cato's management at today's board meeting are evidence of their rejection of any reasonable compromise," said Koch.

Koch did not comment on the next steps he and David Koch are considering.

SOURCE Koch Companies Public Sector, LLC