



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ELIOT SPITZER
Attorney General

November 29, 2004

REGIONAL OFFICE DIVISION
POUGHKEEPSIE REGIONAL OFFICE

Honorable Lawrence Horowitz
Orange County Supreme Court
255 Main Street
Goshen, New York 10924

RE: SAM SLOAN v. BEATRIZ MARINELLO, et.al.
Index No. 2004-7739
ORDER TO SHOW CAUSE, Returnable, November 30, 2004

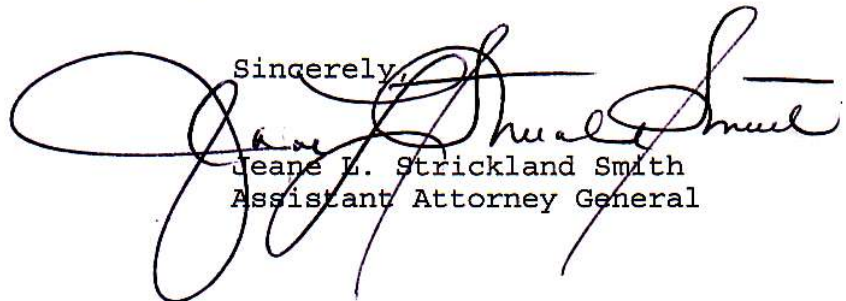
Dear Judge Horowitz:

The Attorney General's office received a copy of the Order to Show Cause and supporting papers involving the purported sale of a building owned by the United States Chess Federation. The Attorney General is not a named party in this litigation. However, a search of our records reveals that no notice was given to the Attorney General prior to the sale of this asset as required by Not-for-Profit Corporation Law Sections 510 and 511. The statute requires court approval on notice the Attorney General before substantially all the assets of a not-for-profit corporation can be disposed of.

The petition also raises a number of other procedural and substantive questions regarding membership and board approval, as well as, placement of the sale proceeds in an escrow account.

Enclosed is a copy of the pamphlet referred to in the petition, A Guide to Sales and Other Dispositions of Assets Pursuant to Not-For-Profit Corporation Law Sections 510-511 and Religious Corporation Laws section 12 published by the Attorney General's office. Thank you for your consideration.

Sincerely,



Jeane L. Strickland Smith
Assistant Attorney General

Enclosure
cc: Sam Sloan