



STATE OF TEXAS
OFFICE OF THE ATTORNEY GENERAL
FINANCIAL LITIGATION AND CHARITABLE TRUSTS DIVISION

REQUEST TO EXAMINE

To: Paul Wainstein, President
Hebrew Free Loan Association of Houston
4131 S. Braeswood Blvd.
Houston, Texas 77025

Via CMRRR#7007 2560 0003 3162 9225

Re: The Attorney General's Investigation of Hebrew Free Loan Association of Houston

The Office of the Attorney General, as the representative of the public's interest in charity, is charged under Texas law with the power and duty to protect and enforce the public interest in charitable nonprofit organizations and charitable trusts. In this capacity, this office reviews charitable nonprofit entities to determine compliance with Texas law and the common law fiduciary duties of trustees of charitable trusts and officers, directors, and employees of charitable nonprofit organizations.

Hebrew Free Loan Association of Houston ("HFLA") is a charitable unincorporated nonprofit association located in Texas and recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code. Pursuant to this office's authority under Texas law, including Section 252.010 et seq. of the Texas Business Organizations Code, the Attorney General is undertaking an investigation into the organization, conduct and management of HFLA.

In addition, the Attorney General is issuing this Request to Examine ("RTE"), requesting that HFLA produce the documents set forth in Attachment "A." This material shall be produced and made available at HFLA's primary place of business on **January 21, 2022**. In the alternative, the requested material may be sent, preferably in electronic format, to the following address on or before **January 14, 2022**: Office of the Attorney General, Financial Litigation and Charitable Trusts Division, 300 W. 15th Street, 6th Floor, Austin, Texas 78701.

Duty to Supplement

HFLA and its board and officers are given notice that this Request to Examine remains effective until the Attorney General's investigation is completed and that HFLA has a continuing duty to supplement its responses and to continue the production of documents and records that are within the scope of these requests. Additionally, as the investigation progresses, the Attorney General may request additional documents pursuant to one or more Supplemental Requests to Examine.

ISSUED THIS 22nd day of November, 2021.

/s/ Cathleen M. Day

Cathleen M. Day

Assistant Attorney General

State Bar No. 24105783

Financial Litigation and Charitable Trusts Division

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ATTACHMENT A**A. Definitions**

For purposes of this Request to Examine (“RTE”), the terms used herein shall have the following meanings:

1. "HFLA" shall mean Hebrew Free Loan Association of Houston, as well as all persons acting or purporting to act on behalf of such entity, including any attorney, trustee, director, officer, agent, employee, consultant, volunteer or other representative.
2. "And" and "or" shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of this RTE any document that might be deemed outside its scope by another construction.
3. “Bank account” shall mean any savings, checking, investment or trust account held in the name of HFLA, or of any person, as defined herein, for the benefit of HFLA.
4. “Compensation” shall mean and include all benefits of any value, monetary or otherwise, including but not limited to, salary, insurance, pay for unused sick leave and vacation leave, overtime, deferred compensation, number of days off, including both sick and vacation time, reimbursements, privileges, memberships, and use of HFLA’s property and assets.
5. "Document" and "documents" shall be used in their broadest sense. Document shall include all written, printed, typed, recorded, computer-generated, computer-stored, or electronically stored matter or graphic matter of every kind and description, both originals and copies, and all attachments and appendices thereto that are in your possession, custody or control. Without limiting the term "control," a document is deemed to be within your control if you have ownership, possession or custody of the document, or the right to secure the document or copy thereof from any person or public or private entity having control thereof.
6. “Donor restricted gift(s),” “donor restricted fund(s),” or “donor restricted asset(s)” shall mean a gift, grant, contribution, or donation intended by a donor or grantor to be used for a specific purpose or on behalf of a specific entity as well as a gift, grant, or donation intended by a donor or grantor to be held in perpetuity or for any other specified time period, regardless of whether income from that donation is designated for a specific purpose or may be used for general operations. Donor restricted gifts may be restricted as to purpose and/or duration.
7. To “identify” an individual means you shall state that individual’s:
 - (i) name;
 - (ii) current or last known telephone numbers at business and home; and
 - (iii) current or last known business and home addresses.

8. To “identify” a person other than an individual means to state:
 - (i) the full name;
 - (ii) the nature of its organization;
 - (iii) the address and telephone number of its principal offices and, if applicable, the state in which it is incorporated; and
 - (iv) its principal line of business or activity.

9. To “identify” any other tangible thing means:
 - (i) to identify what it is, giving a reasonably detailed description thereof;
 - (ii) to state when, where, and how it was made, if applicable;
 - (iii) to identify who made it, if applicable; and
 - (v) identify its current custodian or the person that had last known possession, custody, or control thereof.

10. A “person” shall include any individual, institution, corporation, association, joint venture, firm, proprietorship, agency, board, authority, commission or other entity.

11. "Relate(d) to" and "relating to" shall include, without limitation, all information that directly or indirectly contains, records, reflects, summarizes, evaluates, refers to, indicates, or comments upon or discusses the operations, conduct, and management of HFLA or that in any manner states the background of, or was the basis or were the bases for, or that record, evaluate, comment upon, or were referred to, relied upon, utilized, generated, transmitted, or received in arriving at any person’s conclusion(s), opinion(s), estimate(s), position(s), decision(s), belief(s), or assertion(s) concerning the operations, conduct, and management of HFLA.

12. “RTE” shall mean this Request to Examine issued pursuant to §§ 252.010 et seq., Texas Business Organizations Code.

13. “You” and “your” shall refer to HFLA and shall include all persons acting or purporting to act on behalf of HFLA, including any attorney, director, officer, agent, employee, consultant, volunteer or other representative.

B. Instructions

1. Refer to the definitions above in responding to the requests.

2. Respond to each of the following requests individually and in writing, indicating whether HFLA has documents responsive to each request.

3. If you do not control the documents requested, expressly respond to each request indicating that you do not control the document(s) and identify the person(s) who has control of the document(s).

4. When providing documents, please note to which request the documents respond. For each request, provide all documents unless indicated otherwise.

5. *All requests are for the period January 1, 2016 to the present, unless otherwise specified.*

C. Requests: Documents to be Produced

1. Copies of documents legally documenting the creation of HFLA, including any attachments, supplements, or amendments thereto, from January 1, 1932, to the present.
2. Copies of HFLA's bylaws, including the current bylaws and any prior versions of the bylaws, and any attachments, supplements, or amendments.
3. Copies of HFLA's employee handbooks, board of director handbooks, and written policies and procedures, including, but not limited to, grant making policies, financial/management policies, gift management policies, cash management policies, conflict of interest policies, whistleblower policies, reimbursement policies, indemnification policies, and compensation and benefits policies.
4. Documents that identify all former and current officers and directors of HFLA and their terms of service.
5. Documents that identify all compensation paid to former and current officers and directors of HFLA, including copies of all IRS Forms W-2, 1099, and expense reimbursement reports.
6. Documents related to the determination of the amount of compensation paid to former or current officers and directors of HFLA, including but not limited to employee evaluations, correspondence, consulting reports, and compensation surveys.
7. Copies of all minutes, resolutions, and dissents from HFLA's Board of Directors' meetings or meetings of any committees created pursuant to HFLA's bylaws or by the Board of Directors.
8. Copies of all agendas and handouts, including financial information, distributed at meetings of the Board of Directors or meetings of any committee of HFLA.
9. Copies of HFLA's annual audited and unaudited financial statements, including copies of all management letters, management representation letters, and reports to the Board of Directors provided by any auditors.
10. Documents that identify the ten (10) highest paid employees of HFLA by name, title, and the amount of compensation, as defined herein, paid to said employees.
11. Documents that provide a job description for each officer and the ten (10) highest paid employees of HFLA and identify each individual's qualifications for each position.
12. Copies of all IRS Forms 990 and 990-PF filed by HFLA, including all schedules, attachments, supplements, and amendments.

13. Copies of the IRS Form 1023 (Application for Recognition of Exemption) submitted by HFLA, and the determination letter issued by the IRS granting tax exempt status, from January 1, 1932 to the present.
14. Copies of all correspondence to or from the IRS, including but not limited to, audits, examinations, reports, private letter rulings or other written determinations.
15. Copies of all annual operating budgets.
16. Copies of HFLA's annual general ledgers used for the recording of all financial transactions of the organization, including accounts pertaining to assets, liabilities, revenue, expenses, along with a chart of accounts that identifies all accounts and subsidiary accounts in the general ledgers.
17. Documents that identify all checking, savings, and investment accounts with financial institutions held in the name of HFLA, or in which HFLA's funds are now or have been held.
18. Documents that identify the former or current authorized signatories for all of the accounts named in response to Request #17.
19. Copies of all checking, savings, and investment account statements for all of the accounts named in response to Request #17.
20. Documents that identify all revolving credit accounts, including but not limited to credit card accounts, store credit accounts, and debit accounts used by or held in the name of HFLA or in the name of any former or current officer, director, or employee of HFLA in his or her representative capacity on behalf of HFLA.
21. Copies of all billing statements related to purchases made with all credit or debit cards held in the name of HFLA, or in the name of any former or current officer or director of HFLA in his or her representative capacity on behalf of HFLA.
22. Copies of all agreements between HFLA and any former or current director, officer, or employee for the repayment or reimbursement to HFLA of personal expenditures made on HFLA's credit cards or with HFLA's funds and all related documents that identify the amount due to HFLA, the schedule of repayment, and all payments made.
23. Documents that identify cash advances paid to any former or current director, officer, employee, consultant, volunteer, or other person, as defined herein.
24. Documents that identify loans made from HFLA to any former or current director, officer, employee, consultant, volunteer, or other person. These documents should identify the date(s) the loan was made, the amount(s) of the original loan, the remaining balance due to HFLA, if any, the schedule of repayment, and evidence of all payments made to date.

25. Documents that identify reimbursements from HFLA to any former or current director, officer, agent, employee, consultant, volunteer or other person, including all requests for reimbursement, expense reports, and supporting receipts.
26. Copies of all documents received from any organization, director, officer, employee, consultant, volunteer or other person that show reimbursement to HFLA by any director, officer, employee, consultant, volunteer or other person for any personal or non-business expenditures.
27. Documents that identify all real and personal property owned, leased, or rented, or previously owned, leased, or rented by HFLA or in which HFLA has or has had a financial interest, including descriptions of how such property was used or is currently being used and the current appraised value or stated value of such property and assets.
28. Copies of all IRS Form 1099-MISC or other documents that identify all attorneys, accountants, consultants, independent contractors, or other persons who have provided consulting or other professional services to HFLA, including the amount of compensation paid to said persons.
29. Copies of all contracts and agreements for professional services between HFLA and any person identified in response to Request #28.
30. Documents that identify all loans made to HFLA by any bank, government agency, or person, including, but not limited to, loan applications, correspondence with lenders, loan agreements, and security agreements related to the loans.
31. Documents evidencing revenue received from government agencies.
32. Documents that reflect the use and expenditure of funds received from government agencies.
33. Documents that identify all donor restricted gifts, as defined herein, including but not limited to gifts to endowment funds.
34. Copies of all gift instruments, including letters, memos, checks, solicitation materials or any other documentation evidencing donor intent with respect to each donor restricted gift identified in response to Request #33, including but not limited to gifts to endowment funds.
35. Documents that identify all checking, savings, or investment accounts into which donor restricted funds were deposited or transferred, including but not limited to endowment funds.
36. Documents that reflect the use and expenditure of donor restricted funds, including but not limited to endowment funds.
37. Documents related to any reclassification of donor restricted funds, including but not limited to endowment funds.

38. Documents related to borrowing from donor restricted funds, including but not limited to endowment funds.
39. Documents evidencing representations made by HFLA to donors or potential donors to HFLA's endowment funds regarding the investment and use of those funds.
40. Copies of all insurance policies of any nature secured to provide coverage for HFLA for money damages in the event of an adverse judgment against HFLA, or any of its officers, directors, consultants, or employees.
41. Copies of all documents relating to complaints or concerns regarding HFLA's operations and management.