

Request for Temporary Suspension of Charter Contract with  
US Mental Math Federation, Inc.

Charter holder US Mental Math Federation, Inc. ("USMMF") is formally requesting that the Arizona State Board for Charter Schools temporarily suspend its charter contract for the remainder of the 2010-2011 school year. USMMF will take every action necessary to prepare to reopen and operate its charter school, Aim High Institute, for the 2011-2012 school year.

Reason for Requested Suspension

USMMF's enrollment dropped significantly between June 2010 and August 2010 due to the actions of a prior board member, Fawzia Tung, and the lawsuit she filed against USMMF in July 2010. Ms. Tung was removed from the governing board of USMMF's charter school, Aim High Institute, in June 2010. Ms. Tung did not want to operate the school as directed by the Board and filed a lawsuit that was designed to wrestle control of the charter school away from USMMF and its governing board.

When Ms. Tung's efforts to take control of the charter school failed, Tung communicated directly and indirectly with the parents of students enrolled in USMMF in a manner designed to erode and destroy the parents' confidence in USMMF's Board of Directors. Her actions were designed to prevent USMMF from opening and successfully operating Aim High Institute and to force USMMF into transferring the charter contract to Ms. Tung.

Due to Ms. Tung's actions, USMMF's ability to maintain its enrollment and operate its charter school during the 2010-2011 was significantly impaired. Although more than 150 students had preregistered for the 2010-2011 school year, the numbers of students enrolled in USMMF dropped each time Ms. Tung communicated with the parents. By the time the school opened in late August 2010, only 11 students were enrolled and attended USMMF. Despite the disappointing attendance, USMMF tried to operate the charter school and increase enrollment. Unfortunately, the number of students enrolled provides insufficient state funding to allow the school to continue its operations.

USMMF has filed a lawsuit against Ms. Tung and others in an attempt to recover for the damage caused by their interference with the operations of USMMF. The intention actions and interference by Ms. Tung and the other defendants are identified in detail in the complaint, attached for your reference. Given the current status of the litigation, and the low enrollment, USMMF cannot continue to operate during the 2010-2011 school year.

USMMF has only one school site, Aim High Institute, serving grades K-8. The school address is 2716 N. Dobson Road, Chandler, AZ 85224. According to the latest enrollment, only 10 students will be affected by the suspension. The parents of all students have been notified on and before October 26<sup>th</sup> that the school site is closing and

USMMF has assisted all parents in the efforts to identify appropriate educational placements for their children.

As of this date for the school year 2010-2011, USMMF has received \$43,586.46 Equalization Assistance Fund in state and federal revenues. USMMF has used \$21,900.09 for its operations and intends to return \$21,686.37 to the Arizona Department of Education due to the suspension of operations.

The temporary suspension of the charter contract will allow USMMF to wrap up the pending litigation so that it may focus its money and efforts on opening and operating Aim High Institute for the 2011-2010 school year. Without the interference of Ms. Tung, USMMF will be able to communicate with parents and effectively advertise and enroll students. USMMF will fully utilize the internet resources including the school web site, Facebook, Twitter, Blogs, Google, etc. to market the school with minimum or zero expenses. Meanwhile, we have identified several local publishers that will reach out to the targeted customers efficiently with limited cost. IQ Abacus Math & Language School that was founded and operated by the two directors of the USMMF corporate board will advertise for Aim High and refer students to attend the school. If, for any reason, USMMF is unable to preregister and enroll enough students to operate during the 2011-2012 school year, USMMF would be willing to surrender the charter contract.

Attachment: Verified Complaint – USMMF et al. vs. Fawzia Tung et al.

MINUTES OF THE MEETING OF  
US MENTAL MATH FEDERATION CORPORATE BOARD  
October 25<sup>TH</sup>, 2010  
430 W. Warner Road #103, Tempe, AZ 85284

**Members Attending**

Rueyin Chiou, Chair

Dr. Jia-Long Horng, board member

**Others Present**

None

**I. Call to Order**

Chair Rueyin Chiou called the meeting to order at 7:33 AM.

**II. Open Issues**

- a) Chair Rueyin Chiou indicated that Dr. Jia-Long Horng has been appointed by the board and working as the Interim Principal without payment for Aim High Institute since October 11. Financial wise, it saved more than three thousand dollars a month for the school. On the other hand, Dr. Horng cannot make a long-term commitment for staying as the principal. It is necessary to find a replacement as soon as possible. Ms. Chiou then pointed out that the bank account of the school has been depleted since October 20<sup>th</sup>. The school is relying on the personal loan for the daily operation. It is necessary to either market Aim High Institute actively or close down the school right away to minimize the financial deficit. Dr. Jia-Long Horng made a motion to close Aim High Institute so that the last day of the school will be Friday, October 29<sup>th</sup>, 2010. The motion included filing a request of Temporary Suspension of Charter Contract to the Arizona State Board for Charter Schools so that the school can be better prepared and re-started from next year. The motion has been seconded by Ms. Rueyin Chiou and unanimously approved.
- b) Ms. Chiou mentioned that USMMF is experiencing a serious financial crisis due to the charter school and the associated litigation. USMMF needs to create opportunities for increasing the income. The online mental math system developed by IQ Abacus will be a good attraction if it is included in the benefit of the USMMF membership. Ms. Chiou therefore made a motion to lease the license of using the online mental math system from IQ Abacus so that USMMF can promote the membership and collect the enrollment fees. The motion was seconded by Dr. Horng and unanimously approved.
- c) Follow up to the previous discussion and motion, Dr. Horng made a motion to hire a computer programmer to assist the installation, improvement, and maintenance of the online mental math system in the US Mental Math domain. The motion was seconded by Ms. Chiou and unanimously approved.
- d) Since there are a lot of details to discuss about and the board members have other important meetings and appointment to attend to, the agreement of the private loan will be discussed in the future meeting.

**III. Adjournment**

Dr. Jia-Long Horng made a motion to dismiss the meeting. The motion was seconded by Rueyin Chiou. Chair Chiou hence announced that the meeting was adjourned. It was at 9:23 AM.

Minutes submitted by: Dr. Jia-Long Horng.