

## Judge Rules in Legal Battle Between Palmer College and Alumni Association

Tina Beychok

On Dec. 11, 2006, a judge in Iowa's Seventh Judicial District ruled on the long-running disagreement between the Palmer College of Chiropractic Board of Trustees and the Palmer College of Chiropractic International Alumni Association (PCCIAA). At stake were the status of \$1.3 million in funds raised by the alumni association and whether the association could continue to have "Palmer College" as part of its name, despite having been officially disassociated from the college since early 2005.

The Palmer Board of Trustees had requested that the funds be placed in a constructive trust, claiming mismanagement on the part of the alumni association. However, Judge Mark D. Cleve ruled in favor of the alumni association, stating:

The Court concludes that the entirety of the evidence introduced at trial does not provide clear and convincing evidence of bad faith on the part of the Alumni Association. Thus, the Court determines that Palmer has not proved that it is entitled to the imposition of a constructive trust based on the equitable principles of abuse of confidence and bad faith. ... In short, Palmer has not proved that the Alumni Association has misused any appreciable portion of its funds. Similarly, there is no evidence that the Alumni Association will use the funds, once released, in a way that is substantially different from the way Palmer claims the funds should be used.

Judge Cleve ruled in favor of the college regarding the dispute over whether the alumni association could continue to use the Palmer College name, crest, abbreviation or logo:

The Court thereby finds the Respondent Palmer College of Chiropractic International Alumni Association in contempt of Court in connection with its continued use of the acronym 'PCCIAA' in violation of the supplemental ruling of the Court filed on January 30, 2006."

The alumni association was fined \$500 for use of the acronym.

In response to the latest court ruling, David "Rip" Reopelle, DC, alumni association president, told the *Quad City Times*, "We're going to continue on with our mission statement and our four planks – student recruitment, membership, scholarships and college support. The amazing thing is we got disassociated, disenfranchised. But [the members] are such loyal people and love Palmer so much that we are continuing on."

As of press time, the board had no comment in regard to the ruling. Lawsuits are still pending against former Alumni Association President, Scott Harris, DC, and former alumni association employee Jeff Wisdo.

The legal battles between Palmer College and the alumni association began with a dispute over the alumni association's request to convert its ex-officio seat on the board of trustees to a full voting seat. The relationship between the board and the alumni association deteriorated after that point, primarily due to the contents of six letters, exchanged between Dr. Harris and Palmer Board Chair Vickie Palmer. Included in that exchange was a Jan. 27, 2005 letter from Ms. Palmer to Dr. Harris that "suggested" six items on "a course of action to determine if the Palmer International Alumni Association is interested in working cooperatively with the Board of Trustees in an effort to make Palmer world renowned in its chiropractic offerings."

The breaking point between the board and the alumni association may have been the February 2005 reinstatement of Larry Patten to the board as CEO. Patten had resigned his position as COO of the board in 1997, amid controversial allegations about spending practices. On Feb. 18, 2005, the attorney for the board sent an e-mail to the alumni association responding to a letter it had sent to various alumni, criticizing Patten. That letter ultimately was printed in the Palmer College newspaper, the *Palmer Beacon*. The attorney's e-mail alleged that the alumni association's criticism of Patten violated one of the six points in Ms. Palmer's Jan. 27, 2005 letter.

The Feb. 18 e-mail from the board's attorney stated, in part:

"However, because of this recent action, you must now know that before we are in a position to proceed, the Board of Trustees of Palmer must have in its hands the following:

- A retraction of those statements in the above referenced e-mail. This retraction must be suitable to the Board of Trustees and distributed as agreed to by the Board of Trustees.
- A public apology, among other things, directed to the Beacon. This apology must be suitable to the Board of Trustees and distributed as agreed to by the Board of Trustees.
- That if any member of your organization speaks out negatively against the College, the Board of Trustees or any member of the staff, or if any member violates any part of this agreement or any of the six points contained in our letter of February 15, 2005, that your organization will immediately work with the Board to correct that statement and to make certain that the damage to the College or individual employed by the College is minimized.
- The disciplinary obligation is yours. Such disciplinary action must be taken within 24 hours of discovery of an event. Failure to do so will trigger the actions contemplated in Item 6 below.
- An agreement to the effect that if and in the event of a violation of the covenants contained in paragraphs 1 through 5 above, that the Board of Directors of the alumni association will surrender its charter inclusive of all corporate and organizational rights to represent Palmer; further it will turn over all of the monies which it has collected in the name of Palmer and the resignations of all current officers and directors of the alumni association."

In response to that e-mail, the alumni association hired its own attorney, and on March 1, 2005, the board formally disassociated itself from the alumni association.

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*Note:* For complete background on the evolution of this dispute, please read "Palmer College Dissociates From Alumni Association" in the April 9, 2005 issue of *DC* ([www.chiroweb.com/archives/23/08/12.html](http://www.chiroweb.com/archives/23/08/12.html)).

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