

October 29, 2017

Dear Cinefamily Board Members:

I am writing to you out of concern for the Cinefamily. I trust you share my love for and devotion to the organization. It is with great sadness that I have witnessed recent events, including your actions to “temporarily suspend[] all Cinefamily activities” and restructure.¹ I have eagerly awaited further news, have communicated directly with Cinefamily staff over email, and commiserated with the broader Cinefamily community on the Black Card Social Facebook page. After more than two months with no further communication from the Board, and with staff now unresponsive, I am forced to reach out to you directly.

Who I Am

I have been a Cinefamily patron since 2007, and a member since 2013. I have been to hundreds of screenings and events. Despite being a homebody on the far east side of town, on average I attended the Cinefamily more than once a week. I cherish the place, and took to heart Hadrian’s invocation before each show that “[we] are the Cinefamily.” I felt a unique spirit of community, a home, and I want to do my part to keep the Cinefamily alive, thriving, and serving all stakeholders fairly. I now worry you are not doing your part. I have both a narrow concern (you owe me money) as well as a broader concern about the disrespect shown to members and about how to move forward in an inclusive fashion.

Members Are the Cinefamily

The refrain that the audience is the Cinefamily is not a mere rhetorical claim; it has legal as well as moral implications in light of your status as a 501(c)(3) charitable organization. Cinefamily’s fantastic growth has relied on contributions. In 2010 these contributions made up a mere 1.5% of revenue, but by 2013 contributions made up over 42% of revenue.² Your members have only grown in importance over time, and in 2014 membership income made up three-quarters of all Cinefamily contributions!³ Our loyalty provides not only the goodwill you rely on, but the income you rely on.

Refund Owed

After you suspended Cinefamily activity, staff made clear that installment memberships would no longer be charged, and that refunds would be forthcoming.⁴ As you know, members have the option of paying either in one lump sum or in monthly installments. Installment memberships “require a minimum 12-month commitment” and thus the only difference is one of cash flow and accounting.⁵ I renewed my Dual Card Membership in January 2017, paying \$550 in full, and staff initially confirmed a forthcoming partial (pro-rated) refund of approximately \$250.⁶ More recently, staff said there would be no pro-rated refund, but could not explain the change in policy, and has stopped responding to questions.⁷ As silly as it may be to bother the Board with what may be (to you) nickel-and-dime stuff, I am owed money and I expect either the partial, pro-rated refund I was promised and that other members received, or I expect a clear written explanation of the reason for the disparate treatment and the change in policy.

Board Responsibilities

Following the departures of Hadrian and Trevor, Board leadership has become more critical than ever, but the Board has been silent. In your open letter—still posted on the website today—“[you] invite [us] to contact [you] with any questions or concerns by emailing theboard@cinefamily.org.” Yet emails to that address are returned with the message that “this email address is no longer being routinely monitored.”⁸ Where is the Board?

As you know, with California non-profits, “the directors are ultimately responsible for all corporate decisions.”⁹ I am concerned about the extent to which you exercised an appropriate duty of due care (in your oversight of management), an appropriate duty of obedience (in addressing problematic behavior once it came to light), and an appropriate duty of loyalty (to the institution rather than specific managers or Board members). You may not be aware that under California law, if you have not acted in good faith, you may be held personally liable.

Your loyalty is especially concerning when examining 2014—the most recent year for which figures are publicly available, and a year which appears to have been difficult for the Cinefamily: total revenue showed its first ever year-over-year drop, and contributions plummeted by over 20%—yet you approved a compensation package for Hadrian that jumped nearly 9% to \$52,567.¹⁰ It appears that Cinefamily weathered these challenges, in part, not through shared sacrifice, but by relying on income from members, which (as a share of revenue) hit an all-time high that year.¹¹

Moving Forward Together

I am not interested in arguing about the past so much as I am interested in how we move forward together. I have spoken with many other members, and it seems others share my concerns. This has been an incredibly painful time for many, from those who received or witnessed any alleged abuse, to the excellent staff and volunteers who were let go, to the members like myself who cherish the Cinefamily and who now fear for its future. I, for one, want to see the Cinefamily back on its feet, stable and successful, a responsible employer and a responsible member of L.A.'s arts community.

Therefore, in the spirit of collaboration—because you and I, we are the Cinefamily—I plead with you: engage with your members! We're pulling for you! We want success! We stand ready to help! The Cinefamily is too important an institution to disappear.

Speaking only for myself, I would suggest the Board commit itself to a set of principles that, I believe, could help to restore faith that you are making the necessary changes:

1. **Honest Investigation.** Establish a clear process, with member oversight, for an independent investigation. Members should be confident that we are patronizing a workplace free of abuse, and where staff and volunteers are respected and treated fairly.
2. **Financial Fairness.** Refund all monies owed to me and other members. Open your books—now and ongoing—and provide total transparency into how our membership funds are spent.
3. **Joint Governance.** Establish a structure allowing members a voice in decisions moving forward. At a time riven by staff changes and likely Board restructuring, it is more vital than ever to hear the voices of the members who have made the Cinefamily the institution it is.

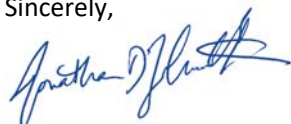
Finally, I am hereby requesting copies of all Cinefamily governing documents and financial statements, as allowed by California and United States law.

I trust I will get a prompt and complete reply in good faith. If we cannot figure out how to move forward collaboratively, I am prepared to explore all other options, including a full review of my legal rights, as well as communicating my concerns to other stakeholders and interested parties, including the press, the City Attorney, the State Attorney General, and others.

Though my frustration may be showing, my concern is for the well-being of the organization, and my goal is partnership. I am a huge fan and booster; the Cinefamily has been very personally important to me, and the last few months have been marked by one heartbreak after another: disturbing allegations of a culture and pattern of abuse, and possible cover up; the disappearance of a true community and a pillar of the arts; the seeming abdication of the organization's leadership. I stand, respectfully, at your service, and I hope the respect will flow both ways. You can contact me at your convenience at 213 [REDACTED] or at [REDACTED]@gmail.com.

I look forward to your reply, and to a successful collaboration.

Sincerely,



Jon Zerolnick

¹ Undated letter from the Cinefamily Board of Directors to “the Cinefamily community,” posted at cinefamily.org.

² Taken from Cinefamily Forms 990, accessed at www.guidestar.org.

³ \$359,103 in member income out of total contributions of \$483,904 and total revenue of \$1,405,497. (Form 990)

⁴ August 28, 2017 posting from Kalyane Levy in the Black Card Social Page. See also September 1, 2017 Board letter to Cinefamily members.

⁵ “Membership & Donations” information, accessed at cinefamily.org/membership-and-donations/.

⁶ Kalyane Levy, personal communication, September 4, 2017.

⁷ Erin Hensley, personal communication, October 20, 2017 and October 23, 2017.

⁸ Board of Cinefamily, personal communication, October 19, 2017.

⁹ California Attorney General Jerry Brown, *Guide for Charities*, 2005, emphasis added.

¹⁰ Includes salary and “other” compensation, compared with \$48,352 in 2013. 2013 contributions to Cinefamily of \$607,591 dropped to \$483,904 in 2014. (Forms 990)

¹¹ Based on most recent available data of Forms 990 from 2012, 2013, and 2014.