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The Zen Studies Society Board of Directors 223 East 67th Street New York, NY 10021

To: The ZSS Board Collectively and Individually.

Dear Board Members,

I am writing this letter out of great concern over the reported machinations surrounding the "retirement package" negotiations underway involving the Shimanos.

I understand the difficulties involved in the Board's position regarding the historical agreements that are on record concerning this retirement package. The reality of the situation is that Eido Shimano and his wife have maintained the Zen Studies Society as a totally compartmentalized body since its inception under his leadership in 1964.

The extent of this compartmentalization has been made evident by the shimanoarchive for the world to see. You all know, from your own experience, that this is indeed the case. None of you were aware of the true history of Mr. and Mrs. Shimano's depredation and manipulation of the board through deliberate obfuscation prior to the public release of the archive documents on March 25, 2010.

The archive comprises as comprehensive a record of documentation as I have been able to assemble. There is more out there that I hope people in the extended / disenfranchised ZSS Sangha will come forward with to help build a more comprehensive public historical record of the Zen Studies Society than what is presently available.

In addition to what I have been able to document, I have been privy to a vast amount of anecdotal information that is not documented but that comes from reliable and trustworthy sources. I am writing now to provide you with some of this information that pertains specifically to the "retirement package."

As you know from the archive, an ad hoc committee was established in 1993 to "study the retirement of Eido Roshi, Yasuko Shimano, future Abbots of the Zen Studies Society, and ordained monks and nuns." [http://www.shimanoarchive.com/PDFs/19930130R ZSS Board.pdf] On the same date, a set of revised bylaws was adopted by the Board that stipulated:

"The Abbot of the Society shall serve as spiritual leader and Chairperson of the Board until he or she dies, resigns, is unfit to carry out his/her functions, or becomes incapacitated. In order for the Abbot of the Society to be involuntarily declared unfit to carry out his or her functions, or incapacitated, there must be a unanimous vote of all members of the Board of Directors currently in office, with

the exception of the Abbot. For such a vote no proxies or telephone voting shall be counted. The Abbot shall be succeeded by a dharma heir selected and designated by the said Abbot to continue in his or her place."

http://www.shimanoarchive.com/PDFs/19930130 ZSS Bylaws.pdf].

The ad hoc "retirement" committee was formed and the revised bylaws were adopted only eighteen days after the scandal involving came to light:

[http://www.shimanoarchive.com/PDFs/19930112R_Xxxxx_Shimano.pdf]

What most of you are probably not aware of is that after the scandal in the mid 90's, another ad hoc group of ZSS Board members met privately off campus to examine the possibility of taking control of the BOD in light of the presence of Board members who were of the opinion that their personal loyalty to Eido Shimano transcended their legal fiduciary responsibility to the Zen Studies Society and the Sangha. This group was unsuccessful in their attempted "mutiny" and the participants either resigned in disgust or were discharged from the Board.

Evidently these Board "mutineers" were troubled by the deliberations surrounding the Shimano's retirement packages in light of the then recent scandal and the lack of follow through concerning accountability in teacher/student relationships as suggested by the Dai Bosatsu Zendo Committee in September of 1993:

http://www.shimanoarchive.com/PDFs/19930929R_ZSS_Board.pdf

"A teacher in a spiritual tradition must be held accountable in regards to the highest standards of behavior. Because they have accepted the position of a so-called spiritual leader in a so-called spiritual organization it is their duty and obligation to uphold the highest degree of professional ethics, respect, honesty, and self restraint in relation to a student. Because a Zen teacher is no more a human being then anyone else they must also abide by the same guidelines appropriate to any other relationship in the "helping" professions which deals with human interaction, example of doctor-patient, therapist-client, lawyer-clien."

In her resignation from the ZSS Board on September 10, 1995, Frances A. Perriello, Esq. detailed the absurd implications of the proposed "retirement package" adopted by the Board for the Shimano's. Ms. Perriello details the problems with the proposed "package" and sums up the situation succinctly with these words:

"It is my opinion that the Society cannot afford to be this generous since these obligations threaten the long-term financial viability of the organization."

[http://www.shimanoarchive.com/PDFs/19950910_Perriello_Board.pdf]

As you by now know, her warnings were ignored and you are presently faced with the consequences.

The "retirement package" was adopted by the Board under the influence of what Zogen, has so aptly labeled as "the loyalty trap" with complete disregard to their fiduciary responsibilities to the organization and to the Sangha.

In around 1996 I learned through a confidential source (a former Board member at the time) that one of the areas of investigation undertaken by the "mutineer" faction was an attempt to determine the <u>actual</u> needs of the Shimanos for their retirement. This former Board member informed me that in a discussion with the ZSS accountant (who was also the Shimano's personal accountant at the time) he was informed in confidence that the Shimano's were indeed quite well off, having some three and a half million dollars in personal assets.

I bring these (albeit unsubstantiated and undocumented) allegations to your attention in hopes that the present Board will cancel any "retirement package" negotiations with the Shimanos for cause:

First: Mr. Shimano has repeatedly, with impunity, ignored and violated fundamental ethical and moral values that have been made quite clear to him on innumerable occasions as a consequence of his behavior in the past.

Second: Through his endlessly repeated violations, he has demonstrated time and again that he is not, and has never been, fit to perform as a spiritual leader, abbot, or chairman of the Board, of the Zen Studies Society. It is irresponsible and illegal for the Board to even entertain the idea of rewarding a "retirement package" to an employee who has willfully and deliberately not performed his employment requirements, who has no need of such funding and who, by forcing the issue, will cause the Zen Studies Society to commit institutional suicide. Mr. Shimano and his wife are apparently far from indigent and in no need of any sort of retirement remuneration. They may claim that their "retirement package" is a contractual obligation irrespective of their financial standing - Mr. Shimano's historic words "none of your business" come to mind. If such an arrogant approach is taken, it only further substantiates his irresponsible and arrogant behavior toward the Triple Gem. In truth, the Shimano's are fully aware of the burden that their "retirement package" will place on the Society and that it will ultimately force the organization into bankruptcy. There is only one term that can be applied to their holding such a position... pure, unmitigated revenge.

Third: It is the Board's clear duty to the Sangha, the Zen Studies Society, and the State of New York to exercise fiduciary responsibility to insure the viability of the organization over and above any misguided feelings of loyalty or indebtedness they might personally feel toward Mr. Shimano.

Fourth: That Mr. Shimano has repeatedly destroyed multiple iterations of the active Sangha through the decades including his completely illegitimate, unilateral disbanding of the Sangha in December of 1975. Mr. Shimano has consistently blocked and sabotaged every effort by the Sangha over the decades to work toward

self-sufficiency and sustainability of the organization; instead he has forced the organization to become totally dependant on himself as the sole fundraiser from primarily Japanese supporters.

It would appear that the Board might seriously entertain placing the stipulation on any further negotiations concerning any Shimano retirement package that the Shimano's make full disclosure of their assets, including his quite substantial income in Japan every February, income from his overseas teaching in Japan and Europe, his Japanese book and DVD sales in Japan.

I have refrained from saying much in public about these matters, other than publishing the archive, but at this juncture I feel it is my responsibility to speak out clearly and bring this anecdotal information to your attention in a manner that is transparent and public.

This letter will be made available in the Shimano archive in seven days.

I await your response.

In dynamic peace,

Rev. Kobutsu Malone

cc:

Hobritsu