

*Mike E. O'Neal*  
Attorney at Law



June 12, 2019

To the Owners of the Ohio Valley University  
2007 Series A, B, C, and D Bonds

Ladies and Gentlemen:

I am writing on behalf of Ohio Valley University (“OVU”) in Vienna and Parkersburg, West Virginia, the obligor on the above bonds. Like most small private universities, OVU faces tremendous market pressures, and for the past 15-20 years has been fighting an uphill financial battle. The accumulated debt now has overtaken the school’s ability to continue to operate and make the Bond payments.

During the past academic year OVU has taken extraordinary measures to reduce its expenditures, increase its revenues, and change its leadership and academic delivery methods. Unfortunately, even with these measures the school is unable to honor the bond obligations and still remain in business, leaving it little alternative other than either (a) surrender its campus and few remaining assets to the Bond Trustee for liquidation for pennies on the dollar, or (b) negotiate a buyout of the bonds at a significant discount. At this writing, the school has not defaulted in its payments, but it is perhaps just days away from doing so.

We have had preliminary discussions with a few benefactors of OVU, who have indicated a willingness to consider helping us accomplish the negotiated buyout of the bonds, but time is of the essence. We are asking you to seriously consider this proposal for the following reasons: (i) OVU has painfully, but faithfully paid these bonds with a much higher than market interest rate over the past nearly 12 years, thus enabling most of you to at least recover your principal investment; (ii) this school has done a marvelous job of serving thousands of families since its founding and is very much needed in the region, as it is the only faith-based institution within a 75 mile radius; and (iii) if the Bond Trustee takes over the campus and other collateral, or the school is forced to declare bankruptcy to stave off its unsecured creditors or buy time to take care of the students, it will be a very lengthy, expensive, and uncertain outcome, perhaps resulting in a recovery that is substantially less than we are proposing due to the deteriorated condition of the campus buildings and the less than stellar economy of the Mid-Ohio Valley.

Here is what we are proposing, which treats each of the Bond Series differently because they have considerably different risks in a foreclosure situation.


<u>Bond Series</u>	<u>Purchase Price as a % of Remaining Principal</u>
A	40%
B	20%
C	20%
D	10%

We ask you to seriously consider this as a fair settlement given the existing unfortunate circumstances at the University. We regret it has come to this, but OVU is experiencing the same stress that has been projected by many experts in the financial and education field who are predicting that as many as 30% of colleges may close in the next 20-30 years due to the changing market dynamics of that industry. Given what is happening in the industry, finding a college to buy the campus seems highly unlikely.

Unfortunately, we have very little time to put this plan together and thus we need to hear from you **no later than Friday, July 5** with the information requested on the enclosed response form. The proposed closure date for purchase of the bonds will be Friday, August 16. This time is needed to have the funding in hand from benefactors and the bond reserve funds. If we do not receive a positive response from substantially all of the bondholders, we will not be able to carry through with the purchase as it will prevent OVU from continuing as an institution and likely force bankruptcy or receivership, resulting in substantial receivership costs and a “fire sale” leaving little for the bondholders.

If you have any questions, please email me at [mike.oneal12@gmail.com](mailto:mike.oneal12@gmail.com). Your thoughtful consideration and timely response will be greatly appreciated.

Sincerely,



Mike E. O'Neal, JD, CPA (inactive)  
Sr. Financial Advisor  
Ohio Valley University

Encl: Bondholder Response Form

cc: Rick Story, OVU Chair  
Michael Ross, OVU President  
Thomas Provenzano, United Bank Trustee

**OHIO VALLEY UNIVERSITY  
BONDHOLDER RESPONSE FORM  
To  
Discounted Buyout Proposal Dated June 12, 2019**

*Information should be consistent with the legal ownership of the bonds.*

**Owner Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Email:** \_\_\_\_\_

<b>Bonds Owned:</b>	<b>Series</b> _____	<b>Face Amount:</b> \$ _____
	<b>Series</b> _____	<b>Face Amount:</b> \$ _____
	<b>Series</b> _____	<b>Face Amount:</b> \$ _____
	<b>Series</b> _____	<b>Face Amount:</b> \$ _____

**Bond Custodian Name/Address/Telephone:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The undersigned bond owner \_\_\_ agrees, \_\_\_ does not agree to sell the above bonds to Ohio Valley University or its agent on the terms of the proposal letter from Mike E. O'Neal dated June 12, 2019.

**Date:** \_\_\_\_\_, 2019

\_\_\_\_\_  
*Bondholder Signature*

\_\_\_\_\_  
*Bondholder Title*

*Please return this form electronically on or before July 5 to [REDACTED]  
with copy to Bond Trustee, United Bank, at [REDACTED]*