



Dear Neighbor,

As you know, since our last meeting of the cooperative, we've been working to have a complete picture of what led to the sudden closing of The Devil Strip, and determine if there is a path forward to resume publication.

First, thank you for your patience. We know that just like us, members of the co-op and supporters of this paper want answers. We are sharing our findings so that you will understand what we've learned and where things stand at this time. We apologize for our delay in communication, but ultimately we believe it was important to attempt to gain as complete a picture as possible about the situation.

Since we last communicated, we secured legal counsel with well-respected Akron attorney Marc P. Gertz, a Partner at Gertz & Rosen, Ltd. With his help, we attempted to gather the financial documents for the organization and undergo a forensic analysis to help us understand what happened at The Devil Strip, at least financially. Despite securing a pro-bono financial firm to assist with this investigation, we were ultimately unable to access tax statements and bookkeeping records prior to 2020. The accounting firm assessed that there would be little value in a financial analysis because there was such limited operating experience after the sale of the magazine to the co-op in May of 2021, and virtually no financial records before the formation of the co-operative in 2020.

We were able to discover that the debt associated with The Devil Strip is greater than when the closure was announced, totaling an estimated \$186,000. This debt was accrued both before and after the sale in May of 2021, but mostly prior to the sale. [Here is a summary of the debt we are aware of at this time.](#)

We have also come to understand that The Devil Strip relied heavily on grants to meet its operating costs. Monthly expenses were approximately \$30,000, while income from ad sales and membership averaged about \$10,000 each month. There were no reserves in place for a shortfall when grant funding was exhausted, resulting in the sudden closure in October due to insufficient funds.

Finally, as we worked to understand the financial situation, it became clear that the organization's bylaws are equally troubling. While the cooperative structure is exciting, innovative, and has great potential for local news, the bylaws for The Devil Strip Local News Cooperative greatly limit the powers of the board and membership, requiring a simple majority of dues-paying members to reach quorum. That means, under the current structure, we must assemble 356 people in order to move forward with business decisions. This is proving to be an unrealistic expectation and, in fact, we have had two failed

attempts to reach quorum through online voting. Without being able to reach quorum, the functions of the board and membership are extremely limited: the organization's members can't approve a new board, lower quorum to a more reasonable number, adjust the debt limit in the bylaws (now set at \$60,000), or even file for bankruptcy. As the lawyer told us: "the three board members have no decision-making power on behalf of the co-operative."

As a result, the lawyer recommended we resign from our posts, given the unfavorable financial outlook and the lack of authority to make any decisions to get the publication restored. Regarding the outstanding debts, there is no liability for any individual member of the co-op.

As for the remaining board members:

1. Based on the legal advice received, we are resigning, effective January 11, 2022.
2. All dues are cancelled at this time. If you have been charged in error, please contact directors@thedevilstrip.com for a refund. Since the co-op's failure to reach quorum after the paper stopped publishing, we have honored such requests and will continue to do so as funds allow. However, please know that after January 11, that email will no longer be monitored.
3. We suggest that you visit the recently restored [website](#) to retrieve any content that is meaningful to you by February 3, 2022.
4. We will be returning all of the donations raised through the GoFundMe campaign. We thank you for your support and wish we had been able to use them toward restoring the paper.
5. All records in our possession will be held by attorney Marc P. Gertz and all further questions related to The Devil Strip News Cooperative should be directed to him at mpgertz@gertzrosen.com

We certainly wish our conclusion was different, because Akron deserves high-quality, independent local journalism. Nevertheless, this is the position we find ourselves in today.

We want to thank everyone who gave their time and advice in the effort to get a complete picture of what happened at The Devil Strip. We especially thank the staff for their professionalism, and have the deepest regrets for how this has impacted them. We also want to thank the members who took the time to attend the membership meeting, vote on the options presented, and provide invaluable advice. We greatly appreciate your involvement and support.

We deeply regret that it is not possible for the remaining board members to get The Devil Strip publishing again. To quote the incredible staff: "The mission of The Devil Strip has always been dedicated to bringing the community together and making the city a better place. That doesn't have to end with us."

Sincerely,

Emily Dressler, Katie Robbins, & Richelle Wardell