



STATE OF NEW YORK
Authorities Budget Office

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October 1, 2013

Dr. Dustin Swanger
Chairman
Fulton County Center for Regional Growth, Inc.
55 East Main Street, Suite 110
Johnstown, NY 12095

Dear Dr. Swanger and Directors of Fulton County Center for Regional Growth, Inc.:

In March 2013 and May 2013 the Authorities Budget Office (ABO) sent letters to **Fulton County Center for Regional Growth, Inc.** (CRG) stating our determination that CRG is a local authority as defined in Section 2(2) of Public Authorities Law and subject to the accountability and reporting requirements of that law, and the enforcement authority of the ABO due to CRG's affiliation with Fulton County.

On August 8, 2013, the ABO sent a letter compelling the board of directors and chief executive officer to justify the authority's persistent failure to meet the reporting requirements of sections 2800, 2801, and 2802 of Public Authorities Law. The August 30, 2013 response from you indicated that CRG does not intend to comply with the law.

As of October, 1 2013 Fulton County Center for Regional Growth, Inc. remains out of compliance with the public disclosure, reporting and corporate governance provisions of Public Authorities Law. In addition, our records indicate that the board has failed to meet its statutory obligation to participate in mandatory training that focuses on the governance, accountability and ethical responsibilities of directors. Accordingly, pursuant to its powers under Section 6(2)(f) of Public Authorities Law, the ABO is sending this official letter of censure to the board of directors of Fulton County Center for Regional Growth, Inc.

As a public authority, Fulton County Center for Regional Growth, Inc. is expected to be timely and transparent with its financial reporting and to be accountable to the public. This letter of censure is the result of the board's collective failure to take appropriate corrective action when the authority was previously warned that it was out of compliance. Those warnings constitute reasonable evidence that the board and the authority's management were made aware of this situation. The fact you continue to ignore your legal obligations is unacceptable. This behavior demonstrates a fundamental misunderstanding of your fiduciary responsibilities and is a serious violation of your duty as a director or officer of this authority.

This letter is being made part of the public record. Disclosure of this censure letter may be required by federal securities law, should the authority finance debt in the future. Furthermore, should the board of directors and the chief executive officer fail to bring the Fulton County Center for Regional Growth, Inc. into compliance, the ABO may take additional steps, including initiating legal action, to access the records, books, and financial documents of the authority.

Sincerely,

David Kiderra
Director

cc: Gregory Fagan, Vice Chair
Ronald Olinsky, Treasurer
David Jankowski, Secretary
Michael Bowker, Board Member
Geoffrey Peck, Board Member
Laurice Salamack, Board Member
James Selmser, Board Member
Michael Ponticello, Board Member

Michael J. Reese, President and Chief
Executive Officer
William H. Waldron, Chairman Fulton County
Board of Supervisors
Assemblyman Marc Butler
Senator Hugh T. Farley