



- The relationship began when I introduced Mr. Matsumura to Mr. Messer, and the two of them made the connection that Mr. Messer was a high level executive of an energy company that did business with Mitsubishi International Corp., a large Japanese multi-national trading company where Mr. Matsumura claimed to have been involved in handling oil and energy matters before working for JEI
- Meetings and communications (that I observed) between Mr. Messer and Mr. Matsumura became more frequent between 2001-2005
- The Messer family and its guests were afforded privileges as to the use of GJS campus resources greater than were afforded to other neighbors
- Mr. Matsumura afforded special favors for Camp Gan Israel, a summer camp that leased space from the Greenwich Campus and whose chairwoman was Mr. Messer's wife
- In 2003, months before JEI's Board of Trustees authorized offering the Greenwich Campus for sale, JEI staff were saying that WFHA was buying the campus from JEI
- Mr. Matsumura made changes to the method of internal accounting for the expenses of maintaining the Greenwich Campus that made it look like continued ownership of the Greenwich Campus was a significant financial problem for JEI
- Prospective purchasers who were referred to me after March 2004 to be given tours of campus facilities were not given the kind of personal attention by Mr. Matsumura and other JEI staff that Mr. Messer and WFHA representatives received

### My Background

6. I was born in Japan, however, I received my college education in the United States in the 1970's, earning a Bachelor's Degree in Forestry. Upon graduation, I returned to Japan for approximately two years and worked for Northwest Airlines.

7. I moved back to New York in 1978, and have lived and worked in the United States ever since.

8. In 1992, I began my employment with JEI at its headquarters in Jamaica Estates, New York, as the First Assistant to the Executive Secretary. One year later, 1993, I was promoted to the position of Deputy Executive Secretary; and in 1998, I was promoted to two positions -- Deputy School Administrator for JEI and Deputy Office and Facility Manager of the Greenwich Campus. It was this year that JEI headquarters relocated to the Greenwich Campus, and so I was also relocated there to fulfill both of my new positions. In 2001 I was demoted to the position of Facility Supervisor of the Greenwich Campus.

9. In my position as Deputy School Administrator, I oversaw all administrative matters of all six of JEI's schools, including general affairs, personnel matters, payroll control, review of employee guidelines, budgetary oversight, insurance and general liability. As Deputy Office and Facility Manager, I was responsible for overseeing the facilities of the Greenwich Campus and determining expenses specific to its repair and maintenance. This position was newly created in order to provide specialized attention to the physical condition of campus. To fulfill these duties I was given a special budget allocated strictly for this purpose, where big repair expenses were to be specially accounted for in relation to the ordinary budget.

10. I initially worked from an individual office located in JSNY's main building, 270 Lake Avenue (a/k/a Building 3), where facility management was centralized. In 2000, two years after Mr. Matsumura arrived at the Greenwich Campus, I was moved to another office in the same building where all of the administrative office staff was commingled. The main building is about 500 feet away from the building where Mr. Matsumura's office, 180 Lake Avenue, was.

11. As Deputy Office and Facility Manager, I would go to Mr. Matsumura's office frequently, since his job was to oversee school administration. Initially, I personally visited Mr.

Matsumura about 1-2 times a day. Beginning around 2001-2002, however, I decreased the frequency of my visits to at least twice a week, but frequently telephoned his staff or wrote notes to Mr. Matsumura. Additionally, my job obligated me to work closely with Mr. Matsumura's staff, whom I visited frequently at Mr. Matsumura's office.

#### Mr. Matsumura as Executive Secretary

12. When I began working for JEI in 1992, the position of Executive Secretary was held by Mr. Takao Tomatsu. I worked under Mr. Tomatsu for the next eight years. I worked closely with him beginning in 1998, when I was relocated to the Greenwich Campus where Mr. Tomatsu had his office.

13. Mr. Tomatsu regularly incorporated the input of the educational faculty and staff, as well as the parents' considerations, when making administrative decisions.

14. Mr. Tomatsu was also very mindful of the GJS budget and designed the cost structure of GJS to break even at 200 students.

15. Mr. Matsumura succeeded Mr. Tomatsu as JEI Executive Secretary in 2000. Mr. Matsumura approached school administration very differently from Mr. Tomatsu. Mr. Matsumura was much less collaborative. Mr. Matsumura subordinated those around him and gave himself increased unilateral control. For example, he independently changed the employee handbook without anyone else's input; he reassigned job duties among the maintenance staff and shifted personnel drastically; he terminated many of the employee's supplemental income agreements; and he discontinued the special accounting of the Greenwich Campus repairs budget and my exclusive control of such a budget.

16. Also in contrast to Mr. Tomatsu, it is my understanding that Mr. Matsumura and other JEI officers progressively changed the cost structure of GJS to lose money at 300 students.

The Relationship Between Mr. Matsumura and Mr. Messer

17. Mr. David A. Messer and his wife live at 1 Zaccheus Mead Lane, Greenwich, Connecticut. The Messer home and grounds is one of the properties bordering JEI's Greenwich Campus.

18. The Messers' home has a special relationship to JEI's Greenwich Campus. Their house was previously the residence of the headmistress of the Greenwich Campus' former school, which was known as Rosemary Hall. Because of this history and function, the Messer's property is connected to the Greenwich Campus both by a private road for motor vehicles, and by a walking path.

19. In February 1999, Mrs. Messer approached me to inquire about the possibility of leasing the Greenwich Campus for a summer camp, Camp Gan Israel, which she was the chairwoman of, that following summer. GJS could not accommodate the summer camp that summer, but was able to lease to Camp Gan Israel for the first time in August 2000.

20. Mr. Messer first started to visit GJS that summer, both before and during the course of the summer camp. He made a commitment to donate new air conditioners to GJS, since none of the classrooms were air conditioned. His offer did not materialize.

21. In September 2000, Mr. and Mrs. Messer invited GJS faculty and staff and members of the JEI administration to a barbecue at their home. At this party I introduced Mr. Matsumura to Mr. Messer. Mr. Matsumura introduced himself to Mr. Messer as a veteran of Mitsubishi International Corp., handling oil and energy business. Mr. Messer said that he had

dealt with the Mitsubishi Corp. with energy business. From hereon, Mr. Matsumura and Mr. Messer appeared to become good friends.

22. I often saw Mr. Messer and Mr. Matsumura walking home together on the private road between the Greenwich Campus and Mr. Messer's house that my office window overlooked. I noticed in the Summer of 2001 that Mr. Messer visited Mr. Matsumura at GJS for extended meetings as well as for social calls.

23. JEI has a written policy on neighbors' use of GJS property that is distributed to all GJS neighbors. Mr. Messer, however, seemed to regularly receive special accommodations that were not given to other neighbors or was allowed to ignore the policies altogether. Mr. Messer, who frequently hosted parties at his home, and his guests would use GJS property to play games, such as Frisbee, and ride bicycles. While it would be consistent with the policies for other neighbors to engage in similar activities on special occasions if they asked for and received specific advance permission from JEI, Mr. Messer's use of the campus (by his family and guests) was ongoing and done at his own discretion.

24. In addition, Mr. Messer's guests would park their cars in the school's private parking lot without first contacting JEI for permission. As Deputy Office and Facility Manager, I am always informed of any specially permitted parking. I was never informed by JEI about parking by Mr. Messer's guests. On one occasion, one of Mr. Messer's guests parked in a teacher's space, so I had to intervene. When I approached the guest about this unpermitted use, he simply replied that Mr. Messer said it was okay.

25. On April 25, 2001, Mr. Matsumura issued to me a note in his handwriting in which he directed that the GJS custodial staff implement several special arrangements for Mr.

Messer. Mr. Matsumura described an unofficial meeting between him and Mr. Messer where a number of favors that went beyond the scope of the Camp Gan Israel lease were discussed. A copy of the original note, in Japanese, and a copy of my English translation of the note, are annexed hereto as Exhibit A.

26. Mr. Matsumura indicated that he wanted to meet with me to discuss the details of implementing these special accommodations. (Also, his note indicated that he had sent copies to the GJS Principal, and to JEI's Office Manager.)

27. In his note and in follow-up conversations, Mr. Matsumura directed me as Deputy Office and Facility Manager to ensure that the following favors were accommodated: (1) the arrangement of an over-ground swimming pool at the Greenwich Campus, including the filing of any permits needed, where it had previously been in the Messer backyard; (2) the preparation of a particular 2-bedroom apartment for Camp Gan Israel counselors, that needed to be vacated of its current occupant, a faculty member; (3) the preparation of an additional apartment for counselors; and (4) the understanding that Mr. Messer would be doing construction on the river that ran through the Greenwich Campus and his home to create a Japanese garden environment, and would be utilizing GJS employees, equipment, and property.<sup>1</sup> When I asked Mr. Matsumura how much rent I would be charging for the use of the school apartments, Mr. Matsumura replied that this was not a matter for me to consider. No additional rent was ever charged for this increased use of the campus by Camp Gan Israel.

28. In addition, Camp Gan Israel has been using GJS property to store their equipment, bedding, and other things during the year since 2000. This storage was contemplated

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<sup>1</sup> This construction project ultimately was never done since it involved a number of permits and regulations that posed too much of an obstacle to make this project practical.

to be a temporary accommodation, but somehow extended throughout the whole year. After the second summer had passed, I suggested to Mr. Matsumura that the school charge Camp Gan Israel a rent for this storage. Mr. Matsumura avoided me on the situation, and simply never got back to me on the idea. Additionally, there is no provision for storage in the lease between GJS and Camp Gan Israel. No additional rent was ever charged for this increased use of the campus by Camp Gan Israel.

#### WFHA Was A Favored Buyer

29. In 2003, I was told by various JEI staff that WFHA was going to buy the Greenwich Campus. At the time JEI's Board of Trustees had yet to approve any plan to sell the school. Out of curiosity, I looked up the officers of WFHA and was surprised to see Mr. Messer's name.

30. Later that year, when word got around that the JEI Board considered selling the Greenwich Campus as a possible resolution of large deficits that had been reported as of 2001, I saw how Mr. Messer's relationship with Mr. Matsumura was involved. It was in 2001 that Mr. Matsumura made dramatic changes to the accounting system, including the accounting of (1) a rent fee of more than \$400,000 being charged for use of the Greenwich Campus, (2) depreciation of the Greenwich Campus at about \$350,000 per year, and (3) a Japanese subsidy received for taking out a loan. From this year on, GJS was reporting a substantial deficit in its financial reports in spite of there being over 200 students at the school. I realized in retrospect that Mr. Matsumura's revamped accounting system laid the groundwork for the rationale to sell the Greenwich Campus.

31. WFHA then submitted a written proposal to buy the Greenwich Campus in February 2004, but the JEI Board did not authorize offering the school property for sale until March 2004.

32. In April and May of 2004, I received about 20-30 phone calls inquiring about the sale of the school, but most of these calls were from curious neighbors. JEI had instructed me to simply refer any telephone calls on the sale of the campus to them. After June 2004, there was a dramatic reduction in telephone inquiries on the sale of the school.

33. I observed a realtor walking around the school facility a few times during a 2-3 month period beginning around April 2004. During my observations, the realtor was only assisted by the Head Custodian, and seemed to never be accompanied by a client.

34. I was instructed by JEI to give tours only to two groups. These tours were very limited, covering merely the main boiler room, the main electrical circuit, and another boiler room. (One of the groups consisted of an engineering crew from the Stanwich School.) At the time, I was not even told if either of the tour groups represented potential buyers.

35. I saw JEI officials personally give a school tour to representatives of WFHA. JEI did not include me in that tour. JEI may have been involved, at most, in one other tour to a prospective purchaser that I am aware of.

36. Neither before, during or after the period of time when JEI supposedly was trying to market the property to various prospective buyers did Mr. Matsumura or any other JEI official brief me on how to conduct a tour for prospective purchasers. I was not told to be mindful that these were prospective purchases and that I should be sure that the tour participants were aware of the positive features of the facility and property, or that I should be especially attentive to their

questions and concerns. Mr. Matsumura certainly did not give me the impression that he was eager for the persons that I guided on tours to make serious purchase offers to JEL.

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TATSUO TAKAHASHI

Sworn to before me this  
day of March 2006

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Notary Public