



A report by the House Post Audit Bureau on  
**The Massachusetts Interscholastic Athletic  
Association (MIAA)**

**June 2022**

**Report of the House Committee  
on Post Audit and Oversight  
Massachusetts House of Representatives  
State House  
Boston, Massachusetts**

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A report of the House Post Audit Bureau on  
The Massachusetts Interscholastic Athletic Association  
(MIAA)

to

The House Committee  
on Post Audit and Oversight  
Massachusetts House of Representatives

State House

Boston, Massachusetts 02133

It shall be the duty of the Committee on Post Audit and Oversight (established under Section 63 of Chapter 3 of the Massachusetts General Laws) to oversee the development and implementation of legislative auditing programs conducted by the Legislative Post Audit and Oversight Bureau (established under Section 64 of Chapter 3 of the Massachusetts General Laws) with particular emphasis on performance auditing.

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**TABLE OF CONTENTS**  
**HOUSE POST AUDIT AND OVERSIGHT BUREAU**



	<b>Section One</b>
	<b>Page</b>
<b>FINDINGS</b>	<b>5</b>
<b>RECOMMENDATIONS</b>	<b>7</b>
Methodology	8
Introduction/Report Overview	10
Brief Organizational History of the MIAA	13
Expenses Exceeding Revenue	14
Tournament Revenue Plunge	15
The Need for a Generally Acceptable Finance Plan	17
• Entry Fee Proposal	
Communication to Address Adverse Perception	19
Three Possible Sources of Revenue	21
1. Tournament Ticket Sales	
2. Membership Dues	
3. Corporate Sponsorships	
Membership Dues	<b>22</b>



## Table of Contents    Section One

	Page
Corporate Sponsorship	22
Corporate Sponsorship Evolution at MIAA	23
MIAA Financial Enhancement: Multimedia Rights Holders/ TPG (Teall Properties Group)	26
What is TPG: A national sports and entertainment company	29
How Was the MIAA and TPG Agreement Formed?	35
MIAA Compensation and Pension	35
Fundraising	36

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## Section Two

### Detailed Research

Appendix

End Notes

## FINDINGS

During their fiscal years FY 2016 through FY 2020, the Massachusetts Interscholastic Athletic Association (MIAA) **produced three annual deficits where annual expenses exceeded annual revenues** creating a financial dilemma. While the organization's assets remain substantial, the decline in revenue and increased expenses jeopardized their financial well-being. The MIAA turned to another form of revenue raising: corporate sponsorships.

**During the five-year time period (FY 2016 through FY 2020), MIAA tournament attendance decreased**, resulting in the loss of vital tournament revenue. Tournaments are the largest single revenue source for the MIAA.

In large part due to its financial situation and outlook, the MIAA negotiated and accepted a 10-year agreement with a sports management and sponsorship organization affiliated with a private equity firm to bolster its revenue collapse.

The addition of revenue from its recent venture with the sports promotion and sales organization provides a distinct injection of promotional income to support the MIAA. This revenue and relationship introduced a different aspect to the coordination of high school athletic competition, such as contractual high school promotions.

**The MIAA Board of Directors should have** been much more focused in advocating, developing, and approving a **much-needed financial rescue package**.

The **deteriorating finances of the MIAA should have been more of a concern** for the Massachusetts School Committees, and the secondary

schools of Massachusetts. The MIAA's lack of urgency regarding the deteriorating financial situation is puzzling.

The most recently available in-house survey of MIAA members indicated that the membership supports the goal (secondary school student athletics) of the MIAA but does not share the same comfortable view of MIAA finances, finding them **unclear** rather than transparent.

**The MIAA's official website is overly complicated, difficult to understand, and not responsive to users.** The website is not "transparent" as understood in the usual definition of that word. The HPAO Bureau understands a new website is being constructed.

**The limited liability marketing company that the MIAA has affiliated with is an experienced, knowledgeable, and financially savvy organization.** It is a multimedia and marketing management company with proficient leaders, and sophisticated investors. **In contrast, the MIAA has demonstrated an inattention to attend to its finances.** As revenues declined, MIAA expenses increased, **indicating a lack of focus, attention, and determination to creating a financial plan.** The organization's finances were finally supported by the alliance with a sports marketing organization.

**The MIAA needs some form of prudent and vigilant oversight because of their new venture with a financially sophisticated sports promotion and sales management organization.**

**These findings reflect an analysis of the five years beginning in FY 2016 and ending in FY 2020. In March 2022, the MIAA's new executive director, president, and vice president of the board of directors, and the organization's accountant met with the HPAO Chairman and the Bureau. The HPAO Bureau is encouraged by the new MIAA leadership.** In a meeting with the HPAO Committee Chairman and the HPAO Bureau, the new MIAA leadership pledged to make the MIAA more inclusive and responsive to its membership.

## RECOMMENDATIONS

**Forward, quarterly, a copy of the report submitted by TEALL to the Massachusetts Interscholastic Athletic Association (MIAA) to the House Committee on Post Audit and the Joint Legislative Committee on Education, and the Secretary of the Division of Secondary and Elementary Education.**

**Publish on the MIAA website each tournament's revenue and expenses after the completion of each tournament.**

**Restore all financial documents to the MIAA website.**

**For a period of five years, submit a concise annual letter including its financial condition to the Massachusetts Association of School Committees; the legislative committees of House Post Audit and Oversight and the Joint Committee on Education; the State Auditor; and the Clerk of the Massachusetts House of Representatives. This transmittal letter with relevant attachments should be signed by each member of the MIAA board of directors.**

**For at least five years beginning in the calendar year 2023 meet annually with the House Committee on Post Audit, and its Bureau, and the Joint Legislative Committee on Education to discuss the status of the MIAA.**

**Obtain at least 25 percent of funding from member schools**

The MIAA should pursue the idea of receiving at least 25 percent of its funding from member schools, which may increase local participation, and increase oversight participation in the MIAA.

## Methodology

When the HPAO Committee forwarded its request to the HPAO Bureau, the instructions were to inquire into, and report on, the “structure, management, and operations of the Massachusetts Interscholastic Athletic Association”, generally known by its acronym, the MIAA.

After careful research into the organization of the MIAA, the House Post Audit and Oversight Bureau sends the House Committee on Post Audit and Oversight this report.

In submitting this report, the HPAO Bureau notes that its methodology has been the following:

The reading of the annual submissions by the MIAA, of United States Internal Revenue Service form 990, a document which tax-exempt organizations, nonexempt charitable trusts, and section 527 political organizations are required to file in compliance with 26 U.S. Code § 6033. This source – IRS form 990 - served as the foundation document for most of the Bureau’s documentary research because it provides a standard, comprehensive, verifiable annual statement of the MIAA’s year to year financial condition.

Supplementing this reference, the HPAO Bureau also consulted relevant documents available on the websites of the MIAA, including, but not limited to financial documents, meeting minutes, the MIAA Handbook, Board of Director Meeting Highlights/other committee meeting highlights (TMC, Ice Hockey Committee, Basketball Committee, Cross Country and Track etc.), committee pages on the MIAA website, and communications from other organizations to, or about, the MIAA, as well as similar documents available on the websites of the Massachusetts Secondary School Administrators Association, and the Massachusetts Secondary School Athletic Directors Association (MSSADA).

In addition, the HPAO Bureau reviewed the websites and documents of various other state athletic associations, including all of New England, New York, and various other states as available; the website of the United States Small Business Administration (SBA) regarding the federal government’s Paycheck Protection Program (*PPP*); the Massachusetts Comptroller’s Office



regarding the Massachusetts COVID Relief Fund; website of the Securities and Exchange Commission, Norfolk Registry of Deeds, Norfolk County, Commonwealth of Massachusetts, the Secretary of the Commonwealth's Corporate Database, the Office of the Attorney General, in particular the public charities division, the public information office of the Massachusetts Supreme Judicial Court, and various news and media sources, both current and historical.

The HPAO Bureau met face to face with senior staff members of the MIAA, including both the previous and the current MIAA executive directors, the MIAA Legal Counsel, the Associate Director and Comptroller, and the accountant for the MIAA. The HPAO Bureau made requests for documents and information from the MIAA by letter, and verbally. The HPAO Bureau also spoke to relevant persons who had knowledge of the MIAA.

This HPAO Bureau report was sent to MIAA management for comment. By mutual agreement, the MIAA's executive director, president of the board of directors, vice president of the board of directors, and the organization's certified public accountant (CPA) met with the HPAO Committee Chairman, HPAO Committee staff, and the HPAO Bureau for a frank discussion on Wednesday, 9 March 2022. The day before this meeting, MIAA executive director forwarded the HPAO Bureau a copy of the MIAA "Financial Statements for the Years Ended June 30, 2021, and 2020," prepared by the MIAA CPA. Two weeks later in a letter to the HPAO Chairman, the MIAA executive director addressed some of the issues discussed on the ninth of March and in this report. The contents of that letter and recent financial information were incorporated or referenced in this report to the House Committee on Post Audit and Oversight.

## Introduction & Report Overview

The Massachusetts Interscholastic Athletic Association has experienced a noticeable revenue decline between the fiscal years of FY 2016 through FY 2020.<sup>1</sup>

Without a plan, the agency that represents 374 **Massachusetts** member schools and those schools' athletic programs for interstate competition, will experience financial difficulty.<sup>2</sup> The COVID-19 Pandemic further weakened the state's high school athletic organization's finances.

COVID halted the spring MIAA athletic tournaments and erased the secondary school athletic organization's vital tournament revenue. Only generous federal and state financial aid (mostly forgiven) at the onset of COVID rescued the secondary school athletic organization's deteriorated revenue and finances. The latest financials supplied to the HPAO Bureau in mid-March by the MIAA indicate that the MIAA received a total of \$512,027 in "**Economic Injury Disaster Loan**" (EIDL) and \$362,027 in **Paycheck Protection Program** (PPP) loans for 2021 from the federal Small Business Administration (SBA), U.S. Department of Commerce. The SBA forgave \$414,954 in 2021, according to the MIAA Financial Statements.<sup>3</sup>

That same document indicates that in 2020 the MIAA received \$344,267 in PPP loans, of which \$291,340 was forgiven. No funds from EIDL were recorded in 2020, according to that financial document.<sup>4</sup>

While the MIAA accountant insisted that the cash position of the organization was strong, the MIAA chief financial officer told the HPAO Chairman and the HPAO Bureau that prior to the availability of the PPP and EIDL loans, the organization considered using its building as collateral for a loan to hold the MIAA over. That mortgage action would have incurred debt, created a debt service, and depleted the financial strength of the MIAA. The federal loans – and their forgiveness – were strokes of good fortune for the MIAA.

The MIAA received similar loans from state sources in 2021 and 2022.

Attributed to the Commonwealth's Fiscal Year 2021, the MIAA received \$48,430.55 in July 2021, and \$238,308.28 in August 2021, from the Massachusetts Coronavirus Relief Fund, disbursed by the Massachusetts

Department of Secondary and Elementary Education. While in the Commonwealth's Fiscal Year 2022, the MIAA received \$13,888.40 in September 2021, and \$62,471.67 in October 2021, also from the Massachusetts Coronavirus Relief Fund, disbursed by the Massachusetts Department of Secondary and Elementary Education.<sup>5</sup>

The MIAA is also the recipient – since 2016 – of a variety of grants, and disbursements from the Commonwealth of Massachusetts which seem to support its ancillary programs such as “wellness.”<sup>6</sup>

The MIAA appeared to experience revenue issues in its 2016 fiscal year. During this revenue deterioration, the MIAA had no acceptable financial rescue plan and told the HPAO Bureau that a plan to reorganize the agency's finances was placed in “abeyance” by the organization's Board of Directors “three years ago.”<sup>7</sup> That statement was made to the HPAO Bureau by the previous MIAA executive director. The MIAA's current executive director, who began his tenure in August 2021, told the HPAO Bureau [and reiterated this in a February online seminar with the Massachusetts Association of School Committees (MASC)] that he intends to correct the MIAA financial situation.<sup>8</sup>

At a recent meeting, the MIAA auditor told the HPAO Bureau that the interscholastic athletic organization is in a “strong financial position” with sufficient working capital that exceeds what was available to it five years ago.<sup>9</sup>

The MIAA auditor told the Bureau that the MIAA is not in danger of going out of business. The HPAO Bureau never alluded to or said that the MIAA was in danger of going out of business. The HPAO Bureau reported decreased revenue and tournament attendance, and increased expenses as problems that the MIAA needs to address.

It is worth mentioning that the Financial Statements provided to the HPAO Bureau by the MIAA and prepared by its accountant/auditor specifically state in NOTE 1: **“The Association's (MIAA) revenue comes primarily from the conduct of sports tournaments, educational athletic programs, and member dues.”**<sup>10</sup>

The HPAO Bureau further notes that between fiscal years FY 2016 and FY 2020 the MIAA's tournaments attendance shortfall affected revenue.

In a January 2020 presentation [to the MIAA Board of Directors' Finance and Personnel Committee] the organization noted specifically that its secondary school athletic tournaments had “diminishing attendance” and “diminishing revenue.”<sup>11</sup>

To alleviate the pressure building from a recent lack of tournament revenue and insufficient membership dues, the MIAA entered into a 10-year agreement with TEALL Properties Group (TPG), an affiliate of a private equity company, to secure corporate sponsorships. This arrangement would secure “risk free”, “guarantee (sic)”, “full-time professional” revenue, and “credibility,” with the potential for a “bonus”, the MIAA leadership claimed.<sup>12</sup>

The presentation made to the MIAA Board of Directors Finance and Personnel Committee on 15 January 2020 indicated the MIAA will “receive a stable dollar number for annual budget.” The MIAA provided the PowerPoint (PPT) presentation to the HPAO, but this PPT offered no details. The HPAO Bureau did receive a copy of the ten-year TPG agreement, but when the HPAO Bureau asked the MIAA counsel (who was credited with negotiating the contract), if there was an escape clause in the agreement with TPG, the MIAA counsel said he would “get back” to the HPAO Bureau. No answer was received until a recent letter to the HPAO Chairman from the new MIAA executive director who stated “there is a specific escape clause” in the contract.<sup>13</sup> The HPAO Bureau was provided a copy of that contract.

In the late August 2021 meeting with the HPAO Bureau, the MIAA leadership acknowledged its difficult financial situation and conceded that it is a serious concern. The MIAA leadership told the HPAO Bureau that the TPG agreement requires the MIAA to “sell assets.” Exactly what assets are for sale was not clear. Since that meeting, the MIAA has transitioned to new leadership.

The new leadership (a new executive director, and a new president, and vice president of the Board of Directors) identified the “assets” to be sold as sponsorships, and that includes MIAA sponsored tournament support as well as specific businesses support.

The HPAO Bureau asked if a sponsor could unduly influence students or a school. The new executive director said that a sponsor could not do that.<sup>14</sup>

Documents available on the organization’s website and other sources of financial information detailing MIAA finances – particularly annual reports filed with the United States Internal Revenue Service - indicate the MIAA has been in financial difficulty during FY 2016 through FY 2020.

[See HPAO Bureau Section TWO on “Revenue and Expenses FY 2016-FY 20] 20]

The following illustration is from the MIAA IRS form 990 for FY 2020:

Source:  
IRS Form 990 for 2020 - MIAA

Schedule A (Form 990 or 990-EZ) 2019 Page 3

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**  
(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.  
If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1,439,165.	1,366,880.	1,617,044.	1,689,922.	2,155,639.	8,268,650.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	4,773,171.	4,338,257.	4,194,995.	3,906,828.	3,277,234.	20,490,485.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	6,212,336.	5,705,137.	5,812,039.	5,596,750.	5,432,873.	28,759,135.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						28,759,135.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) (a) 2015 (b) 2016 (c) 2017 (d) 2018 (e) 2019 (f) Total

Declining each year  
↓

## Brief Organizational History of the MIAA

As an organization, the Massachusetts Interscholastic Athletic Association is an outgrowth of the Massachusetts Principals’ Association. The Principals’ Association split its organization into two parts in 1978, forming, first, the Massachusetts Interscholastic Athletic Association (MIAA) concentrating on secondary school athletics; and the other branch of the split became the Massachusetts Secondary School Administrators Association (MSSAA) concentrating on all non-athletic secondary school issues. This second spin-off from the former Principals’ Association later absorbed the former Middle Level Association (MMLSAA) in 1995, and then in 2017, the organization was

again amended to the Massachusetts School Administrators' Association (MSAA).

In its current format, the MIAA is an interlocked secondary school organization sharing leadership positions among the Massachusetts Interscholastic Athletic Association, the Massachusetts School Administrators Association (MSAA), and the Massachusetts Secondary School Athletic Directors Association (MSSADA). The MIAA board of directors has representative membership of school superintendents, school committee members, high school athletic directors, high school principals, and one assistant high school principal. The MSAA board of directors consists of high school principals, headmasters, a director of career & technical education, a retired principal, an assistant principal, and a pupil services administrator. These educational administrators are high school, vocational technical school, middle school, and elementary administrators. There is one principal of an Early Childhood Center.

The MIAA and the MSAA are jointly served by the same administrative officers. This is further described in the "Detailed Research" section of this report.

By statute, the MIAA is an agent of the school committees of the Commonwealth of Massachusetts (MGL c. 71, s. 47):

"Section 47. The committee may supervise and control all athletic and other organizations composed of public-school pupils and bearing the school name or organized in connection therewith. It may directly or through an authorized representative determine under what conditions the same may compete with similar organizations in other schools.

The Attorney General of Massachusetts opined that as an agent of the School Committees, the Massachusetts Interscholastic Athletic Association (MIAA) is a "state actor." It is a state actor because it represents the School Committees of Massachusetts, which are public entities.<sup>15</sup>

## **Expenses Exceeding Revenue**

The MIAA's overall revenue has been in decline, as documented on the IRS form 990s, in the Fiscal years FY2016 through FY 2020(with the exception of

FY2018 that saw an increase), falling from \$6,440,112 in FY2016 to \$5,521,276 in FY2020, a difference of \$918,836.

Between FY2016 and FY2020 the MIAA reported expenses exceeding revenues to the IRS on their form 990s in three out of five years, and these deficits ranged from \$158,702 to \$353,083.

The “Gross receipts from admissions, merchandise sold, services performed, or facilities furnished in any activity that is related to the organization’s tax-exempt purpose”<sup>16</sup> have also seen a year over year decline between FY2016 and FY2020, dropping from \$4,773,171 in 2015 to \$3,277,234 in 2019, a difference of \$1,495,937.

Meanwhile, during those same fiscal years, total expenses as indicated on page one of the 990 IRS form between **FY2016** and **FY2020**, report **the following: 6,437,188** in **FY2016**; \$6,299,743 in **FY2017**; \$6,439,886 in **FY2018** (revenue **up** from prior year but expenses exceeded revenue by \$331,054); \$5,979,836 in **FY2019**, (expenses exceeded revenue by **158,702**); and \$5,013,404 in **FY2020** (COVID year with PPP loans and other enhancements). The **FY2020** revenue exceeded expenses by \$507,872 but, due to COVID, there were no tournaments and the expenses for “athletic events “as reported on page 10 of that year’s IRS form 990 were \$2,445,764 (**\$395,847** less than the prior year; other expenses also saw reductions in the “COVID year”). If total expenses had remained equal, or greater than **FY2019**, (the prior year) the organization would have been short at least \$456,560.

The “athletic event” expense of \$2,445,764 for FY2020 (the so-called *COVID year*) with few, if any “athletic events,” differs by only \$395,847 from the prior year (FY2019) during which all tournaments operated, and the “athletic events” expense was \$2,841,611.<sup>17</sup>

## Tournament Revenue Plunge

The largest revenue component for the organization, as noted by the previous executive director, comes from the tournaments. Between FY2016 and FY2020, revenue from athletic events made up between 64 percent and 51 percent of the MIAA’s total revenue reported on the IRS form 990s. That

percentage decreased between FY2016 and FY2020, dropping from 62% in FY2016 to 51% in FY2020 (with an increase to 64% in FY2017). In dollar amounts, the decrease in revenue from athletic events between FY2016 and FY2020, dropped from \$3,989,639 in FY2016 to \$2,807,361 in FY2020, a difference of **\$1,182,278**, according to the IRS form 990s. The MIAA stated that since the beginning of the COVID-19 pandemic, they have “lost four seasons of tournaments” and their respective tournament revenue.

The previous executive director told HPAO that prior to COVID, their average tournament revenue has been in the range of \$3.5 million and expenses in the range of \$3 million. A review of the IRS Form 990's shows that between FY2015-FY2019 tournament revenue had decreased steadily from \$4.1 million to \$3.2, and finally to \$2.8 million in FY2020 (with the FY2020 spring athletic season being affected by Covid-19). However, average expenses between FY2015-FY2018 were around \$4.0 million, with FY2019 decreasing to \$3.4 million, and FY2020 decreasing further to \$2.9 million.<sup>18</sup> The MIAA was asked to clarify their tournament revenue and expense numbers in a meeting follow up letter from HPAO Bureau. The response from the current executive director of the MIAA was “I cannot speculate on anything that was spoken by [previous executive director] regarding ‘average’ revenue versus expenses.”<sup>19</sup>

However, in a subsequent letter to the HPAO Committee Chairman, the current executive director stated that “the MIAA is not in ‘severe financial peril.’” The current budget (FY 22) – the first under his leadership, he noted – “is balanced and is in fact currently projecting a surplus.” The MIAA executive director also informed the HPAO Committee Chairman by letter that the “development of the FY23 Budget has established measures and controls to increase revenues and decrease expenditures.”<sup>20</sup>

When asked about the MIAA's overall financial difficulties, the previous executive director confirmed that the IRS numbers were correct, that the organization was facing “financial challenges”, and that this information had been shared with the MIAA's membership.

The MIAA needs a plan to overcome their many financial hurdles, particularly the problem of declining tournament revenue that was made worse by the Covid-19 pandemic. The previous executive director explained that while historically tournaments have been the highest source of revenue, tournament attendance is subject to two external factors: the weather and



who plays who, which, he said, is known as “pairing.” While the weather is out of anyone’s control, the Association has created a new statewide tournament structure to be implemented this fall that they hope will increase attendance and therefore revenue.<sup>21</sup>

The HPAO Bureau believes that the declining revenue, increasing expenses, annual deficits, or one time near break-even balance between expense and revenue were apparent.

Assurances by the new MIAA leadership appear to recognize and address these critical issues for the financial health of the organization with “measures and controls to increase revenues and decrease expenditures.”<sup>22</sup>

## **The Need for a Generally Acceptable Finance Plan Entry Fee Proposal**

In 2018, the MIAA's Finance and Personnel Committee approved a financial plan that included new tournament entry fees for individual sports.

The suggestion that the MIAA finances could be shorn up with entry fees caused a major disagreement among the membership, particularly the track and field members and their MIAA Committee.

The MIAA offered track, tennis, and golf as examples of sports that would fall under the umbrella of the new plan. However, this plan caused tensions among membership regarding dues, spending on tournaments, and policy approval procedures, which led to a public controversy between the MIAA and the Massachusetts State Track Coaches Association (MSTCA)<sup>23</sup>. This dispute ended with the MIAA's Finance and Personnel Committee voting to pause the plan. When asked for more information regarding the development of the plan, the MIAA confirmed that individual sports affected by the new plan were not consulted. The MIAA emphasized that entry fees were not a new practice and individual sports regularly paid entry fees. The MIAA (leadership) stated that entry fees were "more the norm in that culture." The associate director also stated that member schools paid more in entry fees for sports than they paid in membership dues.

However, following this controversy, the MIAA Finance and Personnel Committee voted to shelve the plan and it is currently held in "abeyance," according to the previous executive director. When asked directly if the track organizations were responsible for this outcome, the previous executive director insisted that the track membership was to blame, and they had "spun a story". The previous executive director emphasized that this situation and the ensuing controversy was a "misrepresentation" and a "problem of perception".<sup>24</sup>

However, this was not the only time that the MIAA would face internal controversy regarding decisions made by committees under the Board of

Directors governance structure. Similar criticisms arose surrounding a power rating and margin of victory system in January of 2021 as well as a vote regarding Super 8 or Division 1A tournaments in April of 2021.<sup>25</sup> When asked how the MIAA responds to its critics, the previous executive director emphasized that while the decisions are made by the member schools, the “MIAA message” is not “absorbed by all of the membership.” The previous executive director noted that there are lots of controversies at the local level, but, ultimately, the member schools chose to be a member of the association and make the decisions. The previous executive director also faulted adverse media and stated that the MIAA is working to counteract that discontentment with new communication initiatives, noting that “it is all about perception.”<sup>26</sup>

Membership dues were a contested topic among members because, as the previous executive director stated: “the dues are not earmarked to any particular sport, this established membership formula calculation is only designed to balance the burden based upon the size and breadth of services offered to that school.”<sup>27</sup> Instead, the dues go into a general fund that pays for the day-to-day operations of the Association, a point reiterated to the membership in a communication from the previous executive director in June of 2020 and by the Chair of the Finance and Personnel Committee in a Board of Directors meeting in August of 2020. The associate director explained that the MIAA has previously done revenue sharing with some sports, giving the example of basketball, but never expense sharing.

In response to a request for more information on revenue sharing the MIAA provided a single sheet to the HPAO Bureau which is attached as an appendix item. **[See Appendix].**

## **Communication to Address Adverse Perception**

The Massachusetts Interscholastic Athletic Association is not immune to criticism, internal or external.

When the MIAA was asked to respond to public criticism of the organization, they acknowledged a negative public perception of the organization. The previous executive director emphasized that “it’s all about perception.” Throughout the conversation with the HPAO Bureau, the MIAA used this “perception” phrase several times, categorizing certain situations, such as the controversy surrounding the Tournament Entry Fee Plan, as a “misrepresentation” or a “problem of perception.” In response to that adverse public perception, the previous executive director emphasized that the association was undertaking communication initiatives to counter what he called a negative image.

In January of 2019, the MIAA brought on a new Director of Public Relations (PR) and Communications<sup>28</sup>. In April of 2019, the MIAA circulated a Climate and Communication survey to the association’s membership to gather information and take the membership’s views regarding certain issues. The survey only received a 21 percent response rate among members, but it provided valuable insight into festering tensions.<sup>29</sup> Several statements in the survey elicited high levels of disagreement from between a fourth to over a third of respondents.

Survey Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<b>The MIAA is a member-driven organization</b>	8%	21%	21%	34%	16%
<b>The MIAA seeks input and feedback from its members when considering a change in policy or practice</b>	8%	21%	21%	40%	10%
<b>The MIAA communicates effectively with its members when a change in policy or practice is adopted</b>	10%	22%	23%	37%	9%
<b>The MIAA is transparent about its finances</b>	18%	24%	21%	26%	12%
<b>The MIAA Governance process operates in ways that are fair, equitable and without bias</b>	10%	22%	24%	31%	13%

\*Table created by the HPAO Bureau based upon responses from the [MIAA Culture Survey](#)

The survey and conversations in subsequent follow-up meetings led to the creation of a Strategic Planning Committee, which would include three subcommittees focusing on “Governance, Revenue and Public Relations.”<sup>30</sup> In addition, in January of 2020, the MIAA held a meeting with a strategic plan facilitator<sup>31</sup> and a subsequent meeting in February of 2020 that resulted in “...four focus areas for the Planning Committee to address: Educational Athletics, Governance, Operations and Management and Communications/Public Relations.”<sup>32</sup> As of December of 2020, this plan remained on hold.<sup>33</sup>

While the survey and Strategic Planning Committee focused on internal issues, the MIAA also utilized social media outlets as a way to further engage the public and the membership. In March of 2020, the Director of PR and Communications reported that “MIAA Twitter followers increased by 830 through the months of January and February”<sup>34</sup> and “Instagram followers increase daily”.<sup>35</sup> The MIAA, at the time of this report, lists 3,392 followers on Instagram, 28,500 followers on Twitter, and 1,871 follows on Facebook,

(according to the MIAA’s public profiles on these respective social media platforms). The MIAA also recorded in March of 2020 that “It is recognized that many emails with pertinent information have been sent on behalf of MIAA. The Franklin office is working on an efficient schedule to minimize the flow of emails in-boxes”<sup>36</sup>. In July of 2020, however, the Director of PR and Communications reported to the Board of Directors that “Highlights and newsletter continue to be forwarded on a regular basis”<sup>37</sup> and that “All social media outlets have increased with followers and continue to be a primary source of communication for the Association”<sup>38</sup>.

The current leadership stressed to the HPAO Bureau that it intends to “provide vision and leadership...work collaboratively with the Board of Directors...build strategic relationships and partnerships that benefit our stakeholders...and utilize interscholastic athletics as the platform that promotes behavior change that supports the respectful treatment of all members of a school community.”<sup>39</sup>

The HPAO Bureau believes this is an ambitious, but necessary step in the right direction.

## **Three Possible Sources of Revenue**

- 1. Tournament ticket sales**
- 2. Membership Dues**
- 3. Corporate Sponsorships**

The previous executive director told the HPAO Bureau that there are three primary forms of revenue available to the Massachusetts Interscholastic Athletic Association (MIAA): ticket sales, member dues, and corporate sponsorships.

Ticket sales provide money from tournament attendance and were addressed earlier and shown to be in decline.

The issue of ticket sales was discussed with the current executive director who told the HPAO Bureau that ticket prices were not beyond the reach of

families purchasing tournament tickets. The MIAA executive director told the HPAO Bureau and HPAO Chairman that the price of an adult admission ticket to a tournament is ten dollars, and a youth ticket is five dollars. The ticketing is done online, he said.<sup>40</sup>

## **Membership Dues**

Until this budget cycle, membership dues, the second form of the state's high school interscholastic athletic organization's revenue raising, provided the MIAA with less than 20 percent of its financial needs. The current MIAA executive director and MIAA president said that the up-coming budget seeks to reach the twenty percent benchmark to the organization's total.<sup>41</sup>

This effort signals a positive change in the organization.

## **Corporate Sponsorship**

The third form of revenue, corporate sponsorship, was employed by the MIAA to supplement the organization's financial needs for several decades.

Although the MIAA did not have an official financial plan prior to this year, the current executive director indicated that, in cooperation and with the approval of the MIAA Finance and Personnel Committee, he is developing a plan that is "legally vetted and financially responsible."<sup>42</sup>

Corporate sponsorships have been a part of the MIAA's financial plan for some time. A letter to the MIAA's current executive director from their accountant that was shared with the HPAO Committee Chairman and its Bureau, stated that the most recent corporate sponsorship "was made because it was a smart business decision – and would have been negotiated independent of the trend in revenues. Further, more than a dozen similar athletic associations have signed up with the same company, essentially rendering this the industry standard practice."<sup>43</sup>

This most recent pursuit of corporate sponsorship revenue is an agreement with a private equity affiliate: Teall Properties Group (TPG), which is a division of TEALL Acquisitions, LLC, a Delaware incorporated limited liability company (registered to do business in Massachusetts).<sup>44</sup>

The previous executive director told HPAO that historically the MIAA Board of Directors has been very conservative with respect to corporate sponsorships, explaining the MIAA was one of the last state athletic associations to accept corporate sponsorships. All the New England secondary athletic associations have contracted with TPG, except Connecticut, the previous MIAA executive director told the HPAO Bureau.<sup>45</sup>

However, the current executive director of the MIAA advised the HPAO Committee Chairman and its HPAO Bureau that at a recent regional meeting of the National Federation of High Schools (NFHS) he “learned that the Connecticut interscholastic athletic association is pursuing an agreement with TPG.”<sup>46</sup>

The current executive director also noted that TPG has “a partnership with NFHS.”<sup>47</sup>

## **Corporate Sponsorship Evolution at MIAA**

The first corporate sponsorship company to work with the MIAA appears to be “WLS Sports Marketing”, which is first listed on the FY2008 Form 990. WLS earned a commission of 35% in each of the last twelve fiscal years, according to IRS documents. Between FY2008 and FY2020, the MIAA paid WLS between \$50,298 to \$86,800 per year in commission. When asked about the status of their relationship with WLS, the previous executive director said they no longer work with WLS, however he and the associate director (at the August meeting with the HPAO Bureau) were unsure of when this relationship ended. WLS appears on the FY2020 Form 990, and the HPAO Bureau concludes that the MIAA was still working with WLS prior to, or until the last day of June of 2020 when the MIAA fiscal year closed.

In February 2019, “SponsorBurst” appears to be the second sponsorship company to work with the MIAA. The contract provided to the HPAO Bureau explains that SponsorBurst would “secure a ‘title sponsor’ and/or ‘presented by sponsor’ for the MIAA football, basketball, and hockey championships” and take in an 18% commission, although the executive director stated this number was around 12% in the late August meeting with the HPAO Bureau. He also said that within one month of signing the contract, SponsorBurst was able to pick up \$60,000 in sponsorships,



including a sponsorship from McLean Hospital, but was not successful following this. When it came time to decide whether they were going to continue the relationship, the MIAA was already in negotiation with TPG, thus it was decided not to continue the agreement. In the Bureau's initial document review, it was not clear if SponsorBurst was in operation past the summer of 2019, however the MIAA did not address this question when asked by the HPAO Bureau.<sup>48</sup>

The third and most recent attempt to obtain corporate sponsorships is the January 2020 agreement signed with TPG. After review by the Board of Directors and the Finance and Personnel Committee, the MIAA signed a 10-year contract with TPG, a sports marketing company that is based upon selling assets, or tournament sponsorships, and guarantees the MIAA \$100,000 up front and yearly guaranteed amounts after the first year of about \$450,000, including some additional money if certain benchmarks are exceeded. The previous executive director believes he initially heard about TPG at a national meeting, although he could not be certain of this. It was made clear to the HPAO Bureau that TPG is not a fundraising entity, but rather an entity that obtains "partnerships". The contract between the MIAA and TPG states clearly that TPG is a "partner", not an "agent" or "joint venture" of the MIAA.<sup>49</sup> Based on the role of TPG to the MIAA, it is unclear to the HPAO Bureau how the "partner" designation differs from the definition of an "agent". This distinction was pursued in a conversation with the current executive director at a recent meeting.<sup>50</sup>

The previous executive director said the company came with "great recommendations" and was optimistic TPG would be successful in selling tournament sponsorships, however the pandemic began shortly after signing the contract and TPG was not able to bring in as much as hoped. The contract was amended in March 2021 to guarantee \$450,000 beginning year two of the agreement instead of year one. This amount then increases to \$470,000 by year ten. In addition, TPG retains \$40,000 in gross revenue in contract year two, which increases to \$60,000 by year ten. The TPG agreement also allows TPG to recoup its expenses annually. The contract also provides a "general manager" who solicits sponsors for the MIAA and is to be housed at the MIAA headquarters in Franklin, MA. The previous executive director said that TPG recently made some headway in getting new partners for the upcoming athletic seasons.

Since the conversation with the previous MIAA executive director, the HPAO Bureau had a further conversation with the current executive director who identified the TPG introduction as originating with the NFHS and characterized this affiliation as a “partnership with ...a nationally respected company with extensive experience in corporate sponsorships, is intended to maximize our opportunities...and provide the MIAA with a guaranteed and consistent revenue stream.”

As noted earlier, a recent conversation with the MIAA and in a letter from their accountant, the relationship is regarded by the MIAA as a “smart business decision.”<sup>51</sup>

## Length of TPG contract

HPAO Bureau expressed interest about the length of the contract. When asked why the contract was for 10 years, it was explained that this length of time is needed to establish relationships with sponsors. The previous executive director also mentioned that the Board of Directors thoroughly scrutinized the agreement, although he admitted it was only the Finance and Personnel Committee that viewed the full PowerPoint explaining how TPG works. Because the vote to ratify working with TPG was taken during an executive session of the board of directors, there are no public minutes available for HPAO to review.

The HPAO Bureau also requested an explanation of the minutes of Wednesday, 15 January 2021, in particular this paragraph: “Executive Director [name] and Legal Counsel [name] assured Board members that the written word represented in the legal agreement has been diligently attended to in the interest of the Board.”<sup>52</sup>

In the response of Monday, 20 September 2021 the MIAA enclosed a copy of the same minutes (marked Attachment #2), with the same language, but no explanation. In the transmittal letter accompanying the enclosed copy of those minutes, the current executive director told the HPAO Bureau he could not speculate on “anything that was spoken by [previous executive director].”<sup>53</sup>

The MIAA was also asked about its relationship with Kraft Sports and Entertainment, which donates the use of Gillette Stadium every year for the Association's eight (8) Superbowl games. There is a contract with Kraft Sports and Entertainment, and it expires after this year.<sup>54</sup>

Asked if the contract with Kraft and TPG conflict with each other, the previous executive director did not believe so, but agreed to provide the HPAO Bureau with a copy of the contract to review. No contract between the MIAA and Kraft Sports and Entertainment was provided to the HPAO Bureau at the release date of this report.

In a recent conversation with the HPAO Committee Chairman and HPAO Bureau, the current MIAA executive director said that there is a specific escape clause (to sever the relationship with TPG) and the MIAA provided the HPAO Bureau with a copy of the contract.<sup>55</sup>

## **MIAA Financial Enhancement: Multimedia Rights Holders TPG (Teall Properties Group)**

In a PowerPoint presentation to the MIAA, dated 11 December 2019, which was provided to the HPAO Bureau, TPG identified itself as the "same leaders that scaled the multimedia rights holder business." This was first a college-level endeavor, but TPG's PowerPoint (PPT) states that it is "going to do it for high school." This business is a "win-win' business model that worked for us in college and is being mirrored and delivered to high school state associations."

In another MIAA PowerPoint presentation provided to the HPAO Bureau, a sub-committee (Finance and Personnel) of the board of directors was advised in PPT bullet points that the TPG proposal was "risk free", "guarantee," "bonus", and "enables a stable dollar number for annual budget."<sup>56</sup>

The HPAO Bureau asked the previous executive director and members of senior management, who were present at a face-to-face meeting in late August, how they became acquainted with TEALL. Neither the previous executive director, nor other managers could recall, offering only that it

might have been through the national association (National Federation of State High School Associations (NFHS) <sup>57</sup>.

The current executive director told the HPAO Chairman and Bureau that it was through the National Federation of State High School Associations that TPG was introduced to the MIAA.<sup>58</sup>

The previous executive director told the HPAO Bureau that the effortless and guaranteed revenue would be accomplished, “by selling assets.”

But what are those assets?

The previous executive director only referred to them as sponsorships but was vague on specifics.

The current executive director and associate director/chief financial officer of the MIAA said that the assets were sponsorships of tournaments, and general sponsors of MIAA efforts and programs.<sup>59</sup>

Regarding the contract with TPG, the previous executive director stated that the MIAA’s Board of Directors was “conservative” regarding corporate sponsorships and the MIAA had been one of the last associations to, as the previous executive director put it, “jump on board with the understanding that this is the reality.” The previous executive director said that whole programs, companies, and industries had been built around corporate sponsorships and “other states were enjoying those benefits.” The previous executive director stated that prior to TPG, the MIAA “dabbled” in corporate sponsorship. The choice of TPG had been a “long process” wherein the MIAA had examined at least three other groups, although he could not recall the names of those groups.

The current MIAA executive director said that the TPG contract “guarantees” the MIAA a minimum revenue stream of \$450,000 with an opportunity for “revenue-sharing” with increased sponsorships.<sup>60</sup>

As stated earlier, the MIAA employed one company, WLS Marketing, for a time, according to IRS form 990s, and in 2019, immediately preceding TPG, the MIAA had a contract with a company called SponsorBurst, described by the previous executive director as “benign and [having] potential.”

SponsorBurst brought in \$60,000 initially, according to the previous executive director, but did not yield anything more for the duration of the year. The previous executive director explained that by the time the SponsorBurst contract renewal came around the following year, the MIAA

was already looking at TPG, which offered the MIAA \$100,000 as a signing bonus and provided a dedicated staffer at no cost to the MIAA. On January 16, 2020, the previous executive director wrote to management at SponsorBurst to inform them that the MIAA would not be renewing the contract and would be terminating the contract, effective February 29, 2020.<sup>61</sup> In addition, the previous executive director stated that the contract with WLS Marketing was also terminated around the same time but did not provide a definite and exact timeline.

On January 16, 2020, the previous executive director signed the contract with TPG<sup>62</sup>.

TPG, in its brochure, and online, identifies its primary focus as “multi-media rights holders.”

Generally, multi-media rights include advertising and promotional rights. In this case, these assets are associated with sports and athletic teams. Multi-media rights sponsors, or so-called “third party sellers,” operate independent of any particular marketplace (or school, or association) and value access for the purpose of product sales. Sports is a desirable sales venue.

Regarding multi-media rights in athletics, football is generally believed to be the largest sales market for third party sellers, followed by basketball, and then the sales prospects drop off among other high school sports.

These third-party sellers, or sponsors, are interested in assets such as venue signage (score boards, and score tables) that are seen in person and on TV. Other third-party sellers have interest in: hospitality assets; non-venue attendance-based assets including: intellectual property assets, radio, digital and social assets.

Companies like TPG are in the business of brokering the third-party sponsors and sellers and, in the case of the MIAA, secondary school athletics.

The common attraction is money.

When the TPG arrangement was presented to the Board of Directors subcommittee on Finance and Personnel, the PowerPoint emphatically noted that while (membership) dues are “stable”, tournament revenue (the MIAA’s largest single revenue source) has “diminishing attendance” and “diminishing revenue”, although this presentation reported “ticket prices stable.” The presentation stated that “entry fees” were “rejected.”

In selling this affiliation with TPG, the presentation noted that “national data” indicated that 32 out of 39 states make greater use of corporate sponsorship than the MIAA.<sup>63</sup>

This was exactly what the MIAA’s previous executive director told the HPAO Bureau in August 2021: “everyone else is doing it (corporate sponsorship),” he said, then observed that Connecticut did not affiliate with TPG.

In a letter shared with the HPAO Bureau, the MIAA accountant wrote to the organization’s executive director that corporate sponsorship has become so commonplace that it could be considered an “industry standard practice.”<sup>64</sup>

The 2019 motion regarding the TPG PowerPoint presentation was for the MIAA Finance and Personnel Committee to grant the MIAA executive director “authority to execute the TPG agreement on behalf of the MIAA.”

The authority was granted on Wednesday, 15 February 2020. The MIAA signed with TPG on Thursday, 16 January 2020. Since that signing, the MIAA and TPG signed an amended contract on the 17<sup>th</sup> of March (MIAA) and the 19<sup>th</sup> of March (TPG). The amended contract accommodates the COVID problem regarding secondary school athletics.<sup>65</sup>

The current executive director expressed his confidence that the action is undertaken with “a nationally respected company with extensive experience in corporate sponsorships.” The MIAA forwarded the HPAO Bureau “a map of states where TPG has relationships with interscholastic athletic associations” which “indicates extensive involvement across the country” (echoing the view of the MIAA accountant).<sup>66</sup>

“I am not aware of any negative experiences with TPG,” the MIAA executive director wrote.<sup>67</sup>

## **What is TPG:**

### **A part of a national sports and entertainment company**

TPG is not a publicly owned company, it is a subsidiary of a limited liability company whose focus is sports promotion and sales, in this case, high school or secondary school marketing. It has investors and managers experienced in the college markets.

TEALL Properties Group, or TPG, is a subsidiary of Teall Capital Partners LLC., which describes its relationship to TPG as “an investment” along with other investments such as Dyehard Fan Supply, a full service retail solutions provider for some of America’s top sporting events, teams, venues, and brands; Revel XP, “the only full-service gameday experience and facility promotion company engaging and growing the next generation of fans; and, “Sunshine”, a “feel good energy drink packed with vitamins.”<sup>68</sup>

On its website, Teall Capital Partners, Inc, indicates in a recent sale of two of its investments, that the sale is a “major step toward exclusive focus on sports entertainment, and “a significant step for Teall as the firm narrows its focus to investing in and building national market-leading sports and entertainment companies.” The two companies sold by TEALL were Riddle & Bloom and Accorin, both - at the time of the sale - were Boston, Massachusetts- based companies sharing the same address on Canal Street. Their websites indicated the companies were engaged in “e-commerce”, B2B, and B2C.

B2B is jargon for “Business-to-business “and is defined as one business conducting a commercial transaction with another; while B2C, or “business to consumer” refers to the process of selling products and services directly between a business and consumers who are the end-users of its products or services. <sup>69</sup>

The Massachusetts Secretary of the Commonwealth’s corporate database website lists three companies doing business in Massachusetts with the TEALL name:

- TEALL Acquisitions LLC
- TEALL Events, Inc.,
- TEALL Investments, LLC.

TEALL Acquisitions LLC, and TEALL Investments, LLC, both have the same address in Winston-Salem, North Carolina. While TEALL Events, Inc. lists the same address as the companies that were recently sold by TEALL - Riddle & Bloom and Accorin (same street number, Canal St, Boston, MA). However, the chief executive officer of TEALL Events, inc. lists 500 W FIFTH STREET WINSTON SALEM, NC 27101 as an address. That address is the same as Teall Acquisitions, LLC, and Teall Investments, LLC. Many of the

officers of the companies, listed on the Massachusetts Secretary of the Commonwealth's corporate database, are the same.

In its application for registration of a foreign limited liability company in Massachusetts, the applicant, TEALL Investments, LLC., indicated it was organized in Delaware as a limited liability company, on 28 June 2016. An attestation from the state of Delaware dated 31 August 2016 was part of a facsimile sent to the Massachusetts Secretary of the Commonwealth confirming the legal organization of TEALL Investments, LLC.; and, another facsimile, this one for the application for TEALL Acquisitions, LLC., also for recognition in Massachusetts, and also accompanied by an affidavit from Delaware Secretary of State were sent on the same day.

The TEALL Investments, LLC. application was approved just before noon on 31 August 2016. The application for TEALL Acquisitions, LLC., was approved near the end of the day, on that same date (31 August 2016).



Illustrations from Secretary of the Commonwealth for approval of Teall Investments, LLC., and Teall Acquisitions, LLC.:

MA SOC Filing Number: 201695432930 Date: 8/31/2016 11:58:00 AM  
Fax Server 8/31/2016 11:56:05 AM PAGE 3/006 Fax Server

**F** **The Commonwealth of Massachusetts**  
William Francis Galvin  
Secretary of the Commonwealth  
One Ashburton Place, Room 1717, Boston, Massachusetts 02108-1512

**Foreign Limited Liability Company  
Application for Registration  
(General Laws Chapter 156C, Section 48)**

Federal Identification No.: .....

(1a) The exact name of the limited liability company:  
Teall Investments, LLC

(1b) If different, the name under which it proposes to do business in the Commonwealth of Massachusetts:  
.....

(2) The jurisdiction\* where the limited liability company was organized:  
Delaware

**F** **The Commonwealth of Massachusetts**  
William Francis Galvin  
Secretary of the Commonwealth  
One Ashburton Place, Room 1717, Boston, Massachusetts 02108-1512

**Foreign Limited Liability Company  
Application for Registration  
(General Laws Chapter 156C, Section 48)**

Federal Identification No. ....

(1a) The exact name of the limited liability company:

Teall Acquisitions, LLC

(1b) If different, the name under which it proposes to do business in the Commonwealth of Massachusetts:

(2) The jurisdiction\* where the limited liability company was organized:

Delaware

(3) The date of organization in that jurisdiction: June 28, 2016

(4) The general character of the business the limited liability company proposes to do in the Commonwealth:

Operating a marketing, branding and advertising company

(5) The business address of its principal office:

1020 Fieldwood Lane, Winston-Salem, North Carolina 27106

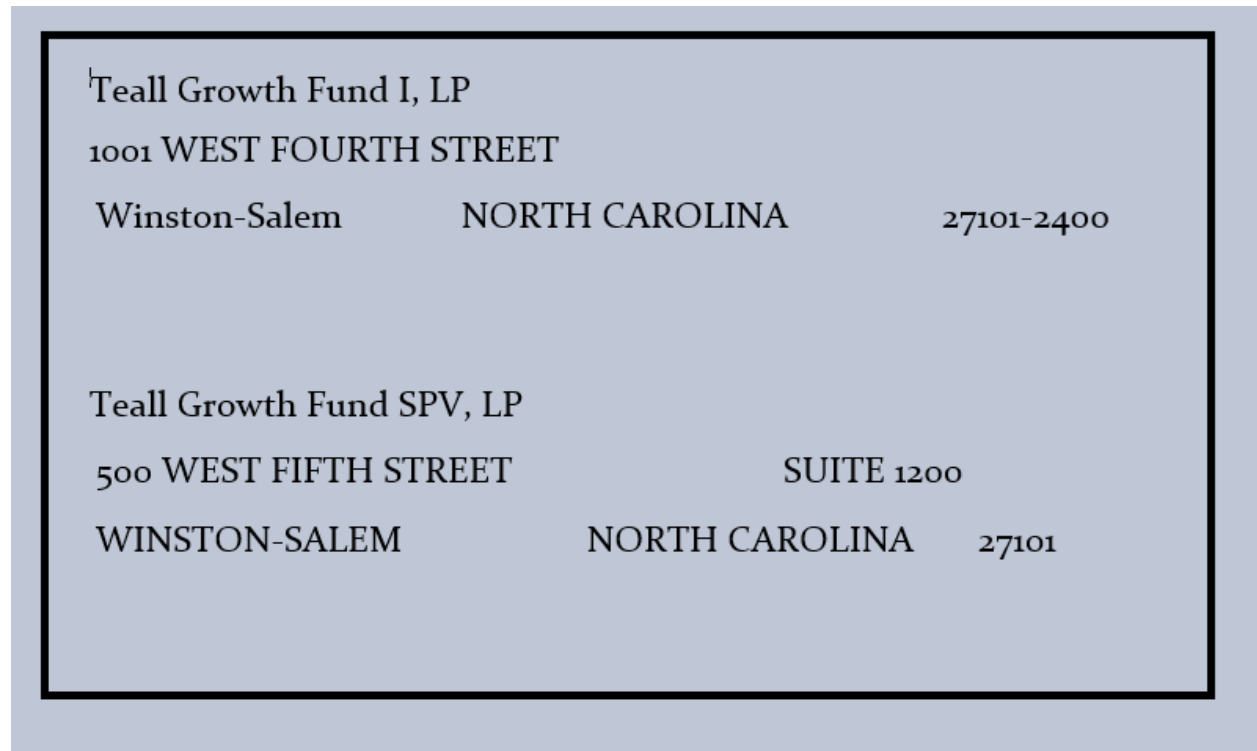
The person signing this application, is the same person listed on various publicity documents reviewed by the HPAO Bureau both in research, and in material furnished to it by the MIAA; corporate documents; and documents on file with the United States Security and Exchange Commission (SEC).

A company known as Teall Investments II, LLC is on file with the North Carolina Secretary of State's office with articles of organization dated 6 October 2016. Like the Massachusetts LLC, that company also lists similar officers with similar addresses.

TEALL, whose name is derived from baseball jargon for "Touch 'em all", meaning the bases and plate of a baseball diamond, generally by a home run, also is an organization with private equity filings with the United States Security and Exchange Commission.

The exact relationship between all the TEALL named companies is not completely clear, other than their sharing of many of the same corporate officers, similar organizational addresses, and the root of the name.

TEALL also has an SEC filing, for two companies, which are: <sup>70</sup>



These SEC registered TEALL companies, according to SEC documents, are private placements for a pooled investment fund/private equity fund, whose investors are required by law and regulation governing the SEC registration to be sold to accredited and a limited number of non-accredited investors who demonstrate “sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the prospective investment.”<sup>71</sup>

In other words, very sophisticated investors.

TEALL offers the MIAA an opportunity to increase revenue through a specialized array of sports marketing companies and expertise. As stated in their proposals and their website, their expertise is derived from, what TEALL states to be, previous success in collegiate marketing and sales.

## **How was the MIAA and TPG agreement formed?**

The previous MIAA executive director said TPG presented only to the Finance and Personnel Committee, and they were voted in. He said the Board of Directors ratified that vote. When asked where on the minutes that the MIAA ratified the decision, the associate director stated it would have occurred in an executive session.<sup>72</sup>

## **MIAA Compensation and Pension**

Criticism of the MIAA often takes the form of disparaging the salaries, pension plan, and benefits of the MIAA employees. That was a particular focus of a Boston newspaper enterprise article on Saturday, 15 June 2019. The MIAA told the HPAO Bureau that the article was negative and factually inaccurate in some of its claims.<sup>73</sup>

Other critics known to the HPAO Bureau express similar concerns regarding benefits, salaries, and pensions. The salaries and benefits for MIAA “key” employees (as they are termed by the United States Internal Revenue Service) are publicly available for inspection.

HPAO Bureau noted that the Paycheck Protection Plan (PPP) loan granted to the MIAA indicated it had total personnel of 27 employees. Both the previous executive director, and the associate director and comptroller of the MIAA, concurred but noted that not all of those employees are full time, some are part-time employees.

The MIAA maintains two separate pension plans.

The HPAO Bureau asked whether all employees or only key employees are covered by the pension plan.

The MIAA associate director said a 403B plan is an employer contribution plan which is based on years of service. She said all employees are eligible and are vested after two years.

The previous executive director said the second retirement program is modeled after the present state operated teacher’s plan. The associate director said that all employees were eligible for that teacher-modeled plan and must contribute 4.8% to participate.

The MIAA told the HPAO Bureau that salaries and benefits are “contentious.” Asked how they address critics to compensation the previous executive director said, “by communication.”

A recent letter to the HPAO Chairman from the current MIAA executive director indicated that the MIAA has a new “Compensation and Pension structure”. That letter stated that “The MIAA benefits Plan was amended... to discontinue eligibility for employees hired after July 1, 2021.” The current MIAA executive director also stated that “I am the first hire... to be affected” and that “I will not be taking any such retirement benefit from the association.”<sup>74</sup>

The HPAO Bureau makes no finding on the salaries, pension plan or benefit plan. Those are the concern of the MIAA membership – the member schools and municipalities.

## **Fundraising**

One of the features of revenue support (tournament admission fees, membership fees, and corporate sponsorships) that the MIAA did not include among its three primary supports of revenue for the organization, is fundraising.

Fundraising is only a moderately to marginally successful endeavor for the state interscholastic athletic association. The organization has an annual golf outing that is marginally profitable, but it is not a large fund raiser. The MIAA has also run two large extravaganzas known as “Legends Nights” which either lost money or broke even.

Asked about its fundraising issues, the MIAA Associate Director told the HPAO Bureau that its fundraisers were “marginally successful”; on the recommendation of other athletic organizations and like groups, the MIAA “hired recommended (fundraising) professionals” who “tried” but their efforts were not successful. Fundraising was not a major revenue raiser. In the case of “Legends Night”, the MIAA lost money.

The MIAA fundraising issue is outlined in the “Detailed Research” section of this report.

The second section of this report, “Detailed Research”, is a separate document.

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- <sup>1</sup> IRS form 990, for Fiscal Years 2015, 2016, 2017, 2018, 2019, 2020.
- <sup>2</sup> Membership figure from most recent (FY2020) IRS Form 990, filed 13 May 2021.
- <sup>3</sup> Massachusetts Interscholastic Athletic Association, Inc., Financial Statements, for the years ended June 30, 2021, and 2020, provided to the HPAO Bureau by electronic mail on Tuesday, 8 March 2022.
- <sup>4</sup> Ibid. Also: [Economic Injury Disaster Loans \(sba.gov\)](https://www.sba.gov)
- <sup>5</sup> Commonwealth of Massachusetts, Office of the Comptroller, CTHRU, Fiscal years 2021 and 2022. See: [MASSACHUSETTS INTERSCHOLASTIC | Statewide Spending Home Open Expenditures](#) and [MASSACHUSETTS INTERSCHOLASTIC | Statewide Spending Home Open Expenditures](#).
- <sup>6</sup> For example, the MIAA received state money from the Massachusetts Department of Public Health, Division of Alcohol Administration (2016, 2019, 2020, 2021); Mass DPH, Substance Abuse Treatment and Block Grant (2018, 2019, 2020, 2021); See: [MASSACHUSETTS INTERSCHOLASTIC | Statewide Spending Home Open Expenditures](#); et alia.
- <sup>7</sup> *Comment by then executive director of the MIAA, Tuesday, 24 August 2021.*
- <sup>8</sup> Massachusetts Association of School Committees (MASC), First Friday Lunch Series, 4 February 2022.
- <sup>9</sup> Meeting with HPAO, Massachusetts State House, Boston, MA, Wednesday, 9 March 2022.
- <sup>10</sup> Massachusetts Interscholastic Athletic Association, Inc., Notes to Financial Statement, June 30, 2021, and 2020, Note 1, Summary of Significant Accounting Policies, page 9.
- <sup>11</sup> PowerPoint (PPT) presentation to the MIAA Board of Directors Finance and Personnel Committee meeting, 15 January 2020.
- <sup>12</sup> PowerPoint (PPT) presentation to the MIAA Board of Directors Finance and Personnel Committee meeting, 15 January 2020.
- <sup>13</sup> MIAA executive director letter to HPAO Committee Chairman, Wednesday, 23 March 2022.
- <sup>14</sup> Meeting with HPAO, Massachusetts State House, Boston, MA, Wednesday, 9 March 2022.
- <sup>15</sup> **See:** Daniel Hansberry versus Massachusetts Interscholastic Athletic Association, Commonwealth of Massachusetts Superior Court, SUFFOLK ss (21 October 1998).
- <sup>16</sup> "2. Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax exempt purpose." Section A: Public Support. Schedule A: Public Charity Status and Public Support. Return of Organization Exempt from Income Tax. July 1, 2019 to June 30, 2020. <2020\_Form\_990\_MIAA.pdf>
- <sup>17</sup> All revenue and expense figures from the Internal Revenue Form 990, for the MIAA's fiscal years of 2016 through 2020.
- <sup>18</sup> United States Internal Revenue, Form 990, Massachusetts Interscholastic Athletic Association (MIAA), FY 15, FY2016, FY2017, FY2018, FY2019.
- <sup>19</sup> MIAA executive director letter to HPAO Bureau Director, Monday, 20 September 2021.
- <sup>20</sup> MIAA executive director letter to HPAO Committee Chairman, Wednesday, 23 March 2022.
- <sup>21</sup> MIAA meeting with HPAO Bureau, Tuesday, 24 August 2021.
- <sup>22</sup> Ibid.
- <sup>23</sup> Miller, Mike. "An Open Letter to Mass. Track and Field Athletes, Coaches, and Parents." BayStateRunning.com. April 14, 2019. <[Bay State Running](#)>; Miller, Mike. ""An Open Letter to

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Mass. Track and Field Athletes, Coaches, and Parents." ..Upload Page for Staff, MIAA Board of Directors, MSTCA Letter. April 17, 2019. <[Agenda Item 9a MSTCA letter.pdf \(miaa.net\)](#)>.

<sup>24</sup> MIAA meeting with HPAO Bureau, Tuesday, 24 August 2021.

<sup>25</sup> [MIAA committee approves new power ratings system for 2021 statewide tournaments](#) By Nathaniel Weitzer, Boston Globe, Globe Correspondent, January 20, 2021; [Super 8 high school sports tournaments won't be held for at least the next four years](#). Boston Globe, by Clark, Jim. April 15, 2021; [MIAA ice hockey committee will appeal pause of Super 8](#), Boston Globe, By Jim Clark Globe Correspondent, April 29, 2021

<sup>26</sup> MIAA meeting with HPAO Bureau, Tuesday, 24 August 2021.

<sup>27</sup> Gaine, Jr., William N. MIAA/MSAA Executive Director. MIAA Communication from the MIAA/MSAA Executive Director. June 9, 2020.<[MIAA Institutional Membership Dues.pdf](#)>

<sup>28</sup> "MIAA Board of Directors Meeting Highlights January 16, 2019." MIAA Highlights. January 16, 2019. <[HIGHLIGHTS BOD 11619 Mtg 2019.pdf \(miaa.net\)](#)>

<sup>29</sup> "FULL BOARD COMMITTEE MEETING." May 22, 2019. <[Microsoft Word - Board of Directors minutes May 22, 2019 \(miaa.net\)](#)>

<sup>30</sup> "Culture, Climate and Communication." Board of Directors Meeting Highlights. September 26, 2019. MIAA Highlights. <[HIGHLIGHTS Board of Directors 92619.pdf \(miaa.net\)](#)>

<sup>31</sup> "Strategic Plan Update." Board of Directors Meeting Highlights. January 15, 2020 . MIAA Highlights. <[HIGHLIGHTS Board of Directors 11520.pdf \(miaa.net\)](#)>

<sup>32</sup> "Strategic Planning Committee." MIAA Board of Directors Highlights. March 4, 2020. MIAA Highlights <[HIGHLIGHTS Board of Directors 3420.pdf \(miaa.net\)](#)>

<sup>33</sup> "Strategic Planning." MIAA Board of Directors Meeting. December 9, 2020. MIAA highlights <[HIGHLIGHTS BOD 12920.pdf \(miaa.net\)](#)>

<sup>34</sup> "MIAA Board of Directors Highlights March 4, 2020." MIAA Highlights. March 4, 2020. <[HIGHLIGHTS Board of Directors 3420.pdf \(miaa.net\)](#)>

<sup>35</sup> Ibid.

<sup>36</sup> "MIAA Board of Directors Highlights March 4, 2020." MIAA Highlights. March 4, 2020. <[HIGHLIGHTS Board of Directors 3420.pdf \(miaa.net\)](#)>

<sup>37</sup> "FULL BOARD MINUTES." MIAA Board of Directors Minutes. July 21, 2020. <[Microsoft Word - MIAA Board of Directors Meeting - July 21, 2020-Full Board.docx](#)>

<sup>38</sup> Ibid.

<sup>39</sup> MIAA executive director letter to HPAO Committee Chairman, Wednesday, 23 March 2022.

<sup>40</sup> MIAA executive director conversation with HPAO Bureau and HPAO Committee Chairman, Wednesday 9 March 2022;.

<sup>41</sup> Ibid.

<sup>42</sup> MIAA executive director letter to HPAO Committee Chairman, Wednesday, 23 March 2022, page 6.

<sup>43</sup> Letter from Marco Seidman, CPA, PC, to Dr. Robert Baldwin, executive director, Massachusetts Interscholastic Athletic Association, 16 March 2022, (unnumbered)second page. This document was provided to the HPAO Committee Chairman and the Committee's Bureau by the Massachusetts Interscholastic Athletic Association.

<sup>44</sup> Application of a Foreign Limited Liability Company (TEALL Acquisitions LLC), approval, Secretary of the Commonwealth, Commonwealth of Massachusetts, 31 August 2016. Application accompanied by an affidavit of the Secretary of State, Delaware, United States of

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America certifying that “Teall Acquisitions, LLC is duly formed in the state of Delaware and in good standing... and has a legal existence... as of the tenth of August A.D. 2016.” Teall also filed TEALL Investments, LLC., as a foreign limited liability company in Massachusetts on that same date, 31 August 2021.

<sup>45</sup> MIAA meeting with HPAO Bureau, Tuesday, 24 August 2021.

<sup>46</sup> MIAA executive director letter to HPAO Committee Chairman, Wednesday, 23 March 2022, page 4.

<sup>47</sup> Ibid.

<sup>48</sup> MIAA meeting with HPAO Bureau, Tuesday, 24 August 2021.

<sup>49</sup> . Multimedia and Sponsorship Rights Agreement, TEALL LLC and the MIAA, 16 January 2021 article 12 “No Joint Venture”, p. 12 of 26.

<sup>50</sup> MIAA executive director conversation with HPAO Bureau and HPAO Committee Chairman, Wednesday 9 March 2022.

<sup>51</sup> MIAA executive director letter to HPAO Committee Chairman, Wednesday, 23 March 2022, page 4; Letter from Marco Seidman, CPA, PC, to Dr. Robert Baldwin, executive director, Massachusetts Interscholastic Athletic Association, 16 March 2022, (unnumbered)second page.

<sup>52</sup> Minutes, MIAA Board of Directors, Wednesday, 15 January 2020, item 2, third paragraph, p. 1

<sup>53</sup> MIAA transmittal letter from Executive Director, MIAA, to HPAO Bureau Director, 20 September 2021.

<sup>54</sup> With an eye on consistency, MIAA again confronting logistics of 12-minute quarters for football finals, By Nate Weitzer Globe Correspondent, Updated September 15, 2021.

<sup>55</sup> MIAA executive director letter to HPAO Committee Chairman, Wednesday, 23 March 2022, page 4

<sup>56</sup> Materials requested and provided by the MIAA, with a transmittal letter dated 20 September 2021.

<sup>57</sup> MIAA meeting with HPAO Bureau, Tuesday, 24 August; NFHS/NFHS Network Signs Agreement with TPG to Manage Sponsorship and Multimedia Rights, NFHS News, August 25, 2020, “The National Federation of State High School Associations (NFHS) and the NFHS Network have signed a multi-year agreement with Teall Properties Group (TPG), a multimedia and marketing management company for high school state associations, national organizations and events, to make it the “Official Sponsorship and Multimedia Agent” of the NFHS and NFHS Network.” “... Through its agreements with state high school associations, TPG has generated millions of dollars for high schools across the United States. As part of the agreement with the NFHS and the NFHS Network, TPG will oversee the existing 46 sponsorship agreements of the NFHS and NFHS Network.”

<sup>58</sup> MIAA executive director conversation with HPAO Bureau and HPAO Committee Chairman, Wednesday 9 March 2022.

<sup>59</sup> Ibid.

<sup>60</sup> MIAA executive director letter to HPAO Committee Chairman, Wednesday, 23 March 2022, page 4.

<sup>61</sup> William N. Gaine, Jr., communication to Mr. Larry Jaeger of SponsorBurst. January 16, 2020.

<sup>62</sup> MIAA meeting with HPAO Bureau, Tuesday, 24 August 2021.



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<sup>63</sup> Presentation provided to the HPAO Bureau as Attachment 5, MIAA Board of Directors Finance and Personnel Committee Meeting, 15 January 2020, third page (unpaginated): “National data: 32/39 states greater % of a corporate sponsorship than MIAA.”

<sup>64</sup> Letter from Marco Seidman, CPA, PC, to Dr. Robert Baldwin, executive director, Massachusetts Interscholastic Athletic Association, 16 March 2022, (unnumbered)second page. This document was provided to the HPAO Committee Chairman and the Committee’s Bureau by the Massachusetts Interscholastic Athletic Association.

<sup>65</sup> The date on the contract that the MIAA provided was January 16, 2020.

Some of the pages in the contract are dated January 14, 2020, but the page with the signatures is dated on the 16th (the vote on the motion by the Finance Committee was January 15th).

An amended contract was signed on March 17, 2021 by MIAA and March 19, 2021 by Teall.

<sup>66</sup> MIAA executive director letter to HPAO Committee Chairman, Wednesday, 23 March 2022, page 4.

<sup>67</sup> Ibid.

<sup>68</sup> TEALL Properties Group website: [Investments - Teall Capital](#);

<sup>69</sup> The press release issued by TEALL Capital, from its headquarters, reads in part:

**“WINSTON-SALEM, N.C. (April 20, 2021)** — Teall Capital, a Winston-Salem, NC and Atlanta, GA based private equity firm, announces the sale of Riddle & Bloom, the Boston based idea and access agency focused on connecting brands with the passions and experiences of Gen Z and Millennials, ... The strategic sale is a significant step for Teall as the firm narrows its focus to investing in and building national market-leading sports and entertainment companies.”: [Press Releases Archives - Teall Capital](#).

<sup>70</sup> The SEC registrations for TEALL can be found at: UNITED STATES SECURITIES AND EXCHANGE COMMISSION, Washington, D.C. 20549, FORM D, Notice of Exempt Offering of Securities; [SEC FORM D](#).

<sup>71</sup> United States Securities and Exchange Commission, Washington, D.C. Private placements - Rule 506(b): UNITED STATES SECURITIES AND EXCHANGE COMMISSION, Washington, D.C. ; [SEC.gov | Private placements - Rule 506\(b\)](#).

<sup>72</sup> MIAA meeting with HPAO Bureau, Tuesday, 24 August 2021.

<sup>73</sup> ‘The hard part is there’s no crystal ball’: MIAA facing its worst financial crunch

By Bob Hohler Boston Globe, June 15, 2019

<sup>74</sup> MIAA executive director letter to HPAO Committee Chairman, Wednesday, 23 March 2022, page 4.