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December 20, 2024

## Via Email

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Members, Chicago Board of Education

Jeremy J. Glenn, Esq., jglenn@cozen.com Cozen O'Connor

## **Re:** Potential Board Action or Final Action to Terminate Pedro Martinez as CEO at Meeting on December 20, 2024

Dear Ms. Bautista, Ms. Blaise, Ms. Gardner, Mr. Harden, Ms. Pope, Mr. Thomas, and Mr. Yáñez:

We represent Chicago Public Schools ("CPS" or the "District") CEO Pedro Martinez. We write with regard to the Board meeting set for today at 5:45 P.M. at which, according to the amended agenda released by the Board, the termination of Mr. Martinez is scheduled to be discussed. By this letter, we ask you not to take any steps to terminate Mr. Martinez or diminish his role as CEO. Any such actions would constitute not only a breach of Mr. Martinez's contract with the Board, but also the relevant Illinois law governing the Board's actions. Such action would also be contrary to the interests of the children and families that CPS and the Board serve.

Tonight's purported vote is the culmination of a months-long campaign orchestrated by the Chicago Teachers Union ("CTU") and its ally, Mayor Brandon Johnson, to improperly and unlawfully terminate Mr. Martinez based on wholly pretextual reasons. The campaign began in July 2024 when Mayor Johnson demanded that CPS assume a \$300 million high-interest loan in order to satisfy the demands of the CTU for an unprecedented multi-billion dollar pay raise for its members. After careful consideration of the impact of such a loan on the already debt-saddled district, Mr. Martinez—along with the then-members of the Board—opposed the loan.

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As a result, as has been publicly reported, on September 12, 2024, Mayor Johnson's office sent a memo to the Board President and Vice President demanding that the Board take actions to ensure that Mr. Martinez was "out" by the end of the month. The memo did not identify any lawful basis for Mr. Martinez's termination under either his contract or the School Code. Instead, the letter made clear that the only basis for the Mayor's desire was Mr. Martinez's failure to acquiesce to the CTU's demands and "[1]and" the contract it desired.

Subsequently, on September 18, 2024, Mayor Johnson asked Mr. Martinez to resign. Importantly, the Mayor has no legal authority to terminate or direct Mr. Martinez. Based on his desire to uphold his fiduciary duties towards CPS and the 325,000 children it serves, Mr. Martinez rejected the Mayor's demand. The members of the Board also rejected CTU and the Mayor's unlawful efforts to terminate Mr. Martinez and saddle the district with high-interest debt it cannot afford. As a result, on October 4, 2024, the Board resigned *en masse* in protest of the Mayor's efforts.

Pursuant to Illinois law, the structure of the Board is set to change in January 2025. Specifically, on January 15, 2025, a new 21-member Board, including 10 members elected from 10 City districts on November 5, 2024, will assume control for the District. In an effort to prevent the elected Board members of the opportunity to vote against terminating Plaintiff or assuming the \$300 million high-interest loan, on October 7, 2024—just one business day after the resignations of the former Board—the Mayor announced the appointment of six new interim Board members. Subsequently, on October 31, 2024, one of these appointees, Board President Reverend Mitchell Johnson, resigned after the discovery that he had made numerous antisemitic or misogynistic posts on social media. Mr. Harden was subsequently announced as the Board President only last week.

After the current Board members were sworn in on October 24, 2024, they began what, in retrospect, was a clear campaign to manufacture a pretextual "cause" to serve as a basis for Mr. Martinez's termination. The existence of such "cause" is important because, pursuant to Mr. Martinez s contract with the Board, absent the existence of "cause," the Board may terminate Mr. Martinez only after first providing him 180-day notice and permitting him to continue with his duties as CEO during that period to ensure a "smooth and stable" transition. The contract also defines "cause" strictly, limiting it to such serious misconduct as "incompetence," "fraud or misappropriation," "negligence," "criminal activity," "a finding of wrongdoing or recommendation for disciplinary action" by the office of the Inspector General" or "conduct inconsistent with the CEO's duties and obligations to CPS or the Board." Because it is undisputed that Mr. Martinez has not committed any acts that any reasonable person would find meets this strict definition, no "cause" exists to terminate him. Instead, throughout his time as CEO, Mr. Martinez has wholly fulfilled his duties and obligations towards CPS, the Board, and the students they serve.

Nonetheless, the Board continued its effort to create pretextual "cause" to terminate Mr. Martinez in November after Acero Charter Schools gave notice to the Board that it would be closing several of its charter schools at the end of the school year. Acero was permitted to make Members of the Board of Chicago Public Schools December 20, 2024 Page 3 of 5

such closures pursuant to its existing contract with the Board. Upon receipt of Acero's notice, Mr. Martinez took steps to assist impacted families and students to transition to other schools in the District. Mr. Martinez's actions were wholly consistent with both longstanding CPS practice and the District's standard operating procedures for responding to charter school closures established by the District's Office of Innovation & Incubation. Nonetheless, he was immediately criticized by the Mayor, who accused him of "collaborating" with Acero.

Taking up this charge, on November 14, 2024, the Board held a special meeting on the Acero schools as part of their attempt to manufacture "cause" to fire Mr. Martinez. During this meeting, the Board unanimously approved the expenditure of up to \$40,000 to retain a law firm to advise on Mr. Martinez's termination and held a four-hour closed session—from which Mr. Martinez was excluded—during which the Board considered his termination for "cause." At the end of the meeting, however, the Board took no action against Mr. Martinez, likely in recognition that his actions had been entirely proper.

Next, on November 22, 2024, five Board members sent Mr. Martinez a letter demanding, without a word of policy or procedural guidance, that Mr. Martinez bring the District's collective bargaining negotiations with CTU to a close and provide "a fully executed contract in the coming days." The request was absurd—the deadline to sign the multi-billion-dollar contract within "days" was entirely arbitrary and the failure to achieve consensus on the agreement was the result of CTU's months-long delay in initiating negotiations, coupled with CTU's proposed increases in financial compensation and benefits despite an existing budget crisis. Nonetheless, at a Board meeting on December 4, 2024, the Board used the alleged issues with the negotiations as a pretext to discuss Mr. Martinez's termination for "cause" at another closed session. Again, however, upon reconvening after the closed session, the Board announced that there was no issue for vote.

Finally, on December 16, 2024, five Board members sent Mr. Martinez a letter that included Mr. Martinez's performance evaluation for the 2023-2024 school year. The purported "evaluation," which comprised less than a page, admitted that Plaintiff had met the academic goals for the school year established by the Board. Nonetheless, the "evaluation" assigned Mr. Martinez an "Overall: [sic] Rating: Needs Improvement" based on certain unfounded bases, including that, among other things he "made no efforts to schedule one-on-ones [sic] with new Board members" and that the development of the Five Year Strategic Plan for the district "did not really come from [Mr. Martinez's] office." The various alleged deficiencies identified in the letter were meritless ---Mr. Martinez did meet with almost all of the new Board members and his office did "really" lead the creation of the Five Year Strategic Plan. Moreover, further highlighting its pretextual nature, the Board's "evaluation" was significantly different and less comprehensive than those the former Board drafted for the 2021-2022 and 2022-2023 school years-both of which found that Mr. Martinez's overall performance met the standards set by the Board. Indeed, the 2022-2023 evaluation went so far as to find that, overall, based on Mr. Martinez's leadership, "[t]he data and evidence from the metrics chosen clearly show that we are on the right track." The Board provided no explanation as to why its "evaluation" differed so dramatically from those issued in prior years.

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In addition to this pretextual "cause", the timing of tonight's meeting raises a number of troubling issues. As noted above, the new Board—with its ten elected members—is set to begin its service in less than a month. By taking actions on Mr. Martinez's employment now, the Board would be effectively circumventing the will of the people and the ability of their elected representatives to weigh in on a fundamental issue for the future of CPS. Additionally, as one of those elected representatives, Che "Rhymefest" Smith, has noted, any action to terminate Mr. Martinez now at the beginning of CPS winter break would effectively "split the children's school year." Finally, the meeting has been set for 5:45 P.M. on the Friday before Christmas week and on a Jewish observance day. Thus, the resolution of any legal issues that would arise from the meeting would be hampered and delayed by both the weekend, upcoming holiday, and the limited availability of court personnel over the coming weeks due to such holiday.

Despite the challenges over the past several months, Mr. Martinez has consistently sought to avoid a confrontation with the Board and has instead continued to focus on fulfilling his duties as CEO. Unfortunately, based on the agenda for tonight's meeting, it appears that this will no longer be possible. For the reasons set forth above, we hope that you will reconsider any decision to terminate or diminish Mr. Martinez's employment as CEO. There is no legal or factual basis for any such action-at all times Mr. Martinez has acted consistently with his contract and the fiduciary duties he holds both to the Board and the children and families that CPS serves. Any actions to terminate or diminish his role as CEO would thus constitute not only a breach of his contract with CPS, but also the fiduciary duties of the individual Board members-and thus, subject the Board and the members of the Board individually, to liability as such improper actions exceed the scope of the Board's duties. Moreover, we also note that, due to the Board members' failure to hold the "same qualifications" as their predecessors and their apparent failure to complete mandatory training required of Board members before participating in Board action, there are substantial questions as to whether the current Board even has the legal authority to take such an action. See 105 ILCS 5/34-3(b-20); Board Rules § 2-18(b)-(c). Indeed, any action taken by the Board may be deemed void.

Additionally, we note that any attempt to restrict Mr. Martinez's job duties or to hire additional individuals to serve as a "Co-CEO" after purportedly providing Mr. Martinez with notice that he is being terminated "without cause" in 180 days would be the equivalent of terminating him with cause and would also constitute a breach of contract. Indeed, any attempt by the Board to diminish or alter Mr. Martinez's role or duties without his consent would violate Section 2 of his contract with the Board, which states: "The Board shall not reassign the CEO from the position of CEO to another position without the CEO's express written consent."

We respectfully request that the Board confirm if it intends to move forward with actions that would result in the termination or diminishment of Mr. Martinez's employment as CEO at tonight's meeting by no later than 2 P.M. today—so that we can engage the appropriate legal response. In doing so, we note that by this letter we are not attempting to escalate this situation any further, but depending on your response, may have to do so if it is in the best interest of the

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District and the families and children CPS serves. Because, at this point our client does not know what your intentions are at tonight's meeting, we are compelled to address all possible scenarios.

Sincerely,

THE QUINLAN LAW FIRM, LLC

William J. Quinlan

CC: Hon. Kwame Raoul, <u>attorney\_general@atg.state.il.us</u> Eric Schmitt, The Quinlan Law Firm, <u>eschmitt@quinlanfirm.com</u> Tony Sanders, <u>tsanders@isbe.net</u>